## IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the offering memorandum following this page (the "**Offering Memorandum**"). You are advised to read this disclaimer carefully before accessing, reading or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Group as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OR SOLICITATION OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**").

YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED OFFERING MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**CONFIRMATION OF YOUR REPRESENTATION:** In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the securities, investors must be non-U.S. persons (as defined in Regulation S) who are outside the United States; provided that any investor in a Member State of the European Economic Area or in the United Kingdom must not be a retail investor. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following: (a) a retail client as defined in (i) point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended) ("**EUWA**"); (b) a customer within (i) the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (ii) the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. This Offering Memorandum is being sent at your request. By accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented to the Group and the Joint Global Coordinators and Joint Bookrunners (in each case as defined in the attached Offering Memorandum) that (1) you and any customers you represent are non-U.S. persons (as defined in Regulation S) who are outside the United States in accordance with Regulation S under the Securities Act and that the e-mail address to which the Offering Memorandum has been delivered is not located in the United States, its territories, its possessions and other areas subject to its jurisdiction), and (2) you consent to delivery of the Offering Memorandum and any amendments or supplements thereto by electronic transmission.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the

laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document, electronically or otherwise, to any person. If you receive this document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction by the Joint Global Coordinators, the Joint Bookrunners, the Issuer or the Guarantors (in each case as defined in the attached Offering Memorandum) that would, or is intended to, permit a public offering of the securities, or possession or distribution of the Offering Memorandum (in preliminary, proof or final form) or any other offering or publicity material relating to the securities, in any country or jurisdiction where action for that purpose is required. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Global Coordinators or the Joint Bookrunners or any affiliate of the Joint Global Coordinators or Joint Bookrunners is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Global Coordinators, the Joint Bookrunners or such affiliate on behalf of the Issuer in such jurisdiction.

This Offering Memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended the ("**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom, (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

**The attached Offering Memorandum has been sent to you in an electronic format. You are reminded that documents transmitted in an electronic format may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantors, the Joint Global Coordinators, the Joint Bookrunners and their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling the Issuer, the Guarantors, the Joint Global Coordinators, the Joint Bookrunners or any of their respective affiliates of any such person accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard-copy version.**

**CONFIDENTIAL**
**OFFERING MEMORANDUM**

**NOT FOR GENERAL DISTRIBUTION**
**IN THE UNITED STATES**

# ARQIVA BROADCAST FINANCE PLC

*(incorporated with limited liability in England and Wales with registered number 08336342)*
*(Legal Entity Identifier: 5493007PMKIGKNYH2S25)*

# £500,000,000 8.625% Senior Secured Notes due 2030

**unconditionally and irrevocably guaranteed by Arqiva Financing No 2 Limited, Arqiva Broadcast Parent Limited and Arqiva Broadcast Intermediate Limited**

Arqiva Broadcast Finance plc, a public limited company existing under the laws of England and Wales (the "**Issuer**"), is offering £500,000,000 in aggregate principal amount of its 8.625% Senior Secured Notes due 2030 (the "**Notes**"). The Notes will mature on 1 July 2030. Interest on the Notes will be payable on 31 March and 30 September of each year, commencing on 30 September 2025 (with a short first and last Interest Period). Prior to 1 July 2027, the Issuer will be entitled, at its option, to redeem all or a portion of the Notes by paying the relevant "make-whole" premium (the "**Applicable Premium**") plus accrued and unpaid interest. At any time on or after certain specified events including any optional redemption events, the Issuer may redeem all or part of the Notes by paying any relevant specified premium plus accrued and unpaid interest. Additionally, the Notes may be redeemed upon the occurrence of certain changes in applicable tax law at their outstanding principal amount plus accrued and unpaid interest. Upon the occurrence of a change of control, the Issuer may be required to make an offer to purchase the Notes. See "*Terms and Conditions*".

The Notes will be senior obligations of the Issuer and will be guaranteed (the "**Guarantees**") by Arqiva Financing No 2 Limited ("**AF No 2**" and the "**Intermediate Guarantor**"), Arqiva Broadcast Parent Limited (the "**Parent Guarantor**") and Arqiva Broadcast Intermediate Limited ("**Intermediate HoldCo**" and, together with the Intermediate Guarantor and the Parent Guarantor, the "**Guarantors**"). The Notes will rank pari passu in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes and will rank senior to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes. The Notes will be structurally subordinated to the Senior Financing (as defined herein).

The Notes and the Guarantees will be secured by first ranking fixed and floating security interests over all (or substantially all) of the assets of the Issuer and each of the Guarantors, including the shares in each of the Issuer and the Intermediate Guarantor held by the Parent Guarantor, the shares in Intermediate HoldCo held by the Intermediate Guarantor and the shares in the Senior Parent held by Intermediate HoldCo, subject to certain conditions and processes. See "*Use of Proceeds and Refinancing Mechanics*", the Risk Factor entitled "*The Notes will be temporarily unsecured due to the refinancing mechanics*" and "*Terms and Conditions – Condition 3.3 (Transaction Security)*". The Guarantees and the Transaction Security (as defined herein) will be subject to contractual limitations and may be released under certain circumstances.

This offering memorandum (this "**Offering Memorandum**") includes information on the terms of the Notes and the Guarantees, including redemption and purchase prices, security, covenants and transfer restrictions. Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Notes to be admitted to the London Stock Exchange's International Securities Market (the "**Market**"). There can be no assurance this application will be accepted. References in this Offering Memorandum to Notes being "admitted to trading" (and all related references) shall mean that such Notes will be admitted to trading on the Market. The Market is not a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**") (the "**UK MiFIR**").

**The Market is a market designated for professional investors. Notes admitted to trading on the Market are not admitted to the Official List of the UK Financial Conduct Authority ("FCA"). The London Stock Exchange has not approved or verified the contents of this Offering Memorandum.**

This Offering Memorandum does not constitute a prospectus for the purposes of the UK Prospectus Regulation and, in accordance with the UK Prospectus Regulation, no prospectus is required in connection with the listing of the Notes. **Potential investors should read the whole of this Offering Memorandum, in particular the section entitled "Risk Factors" set out on pages 55 to 101.**

**Price for the Notes: 100.000%**

**The Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, to retail clients, as defined in Directive 2014/65/EU (as amended, "MiFID II") and UK MiFIR. Prospective investors are referred to the section headed "Prohibition of Sales to European Economic Area Retail Investors" and "Prohibition of Sales to United Kingdom Retail Investors" of this Offering Memorandum for further information.**

**The Notes and the Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")).**

**Investors in the Notes will be deemed to have made or be required to make certain representations and warranties in connection with purchasing the Notes. For a description of certain restrictions on resales and transfers, as to which each purchaser of Notes will be deemed to have acknowledged, represented and agreed, see "*Plan of Distribution*" and "*Transfer Restrictions*" in this Offering Memorandum.**

The Notes are expected to be delivered in book-entry form through Euroclear Bank SA./NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") on or about 3 July 2025 (the "**Issue Date**").

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**"), any federal or state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Offering Memorandum. The Notes do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the U.S. Commodity Exchange Act of 1936, as amended, ("**CEA**") and trading in the Notes has not been approved by the Commodity Futures Trading Commission (the "**CFTC**") pursuant to the CEA. Any representation to the contrary is a criminal offence in the United States.

The Notes to be issued are expected on issue to be assigned a "B" rating by S&P ("**S&P**") and a "B1" rating by Moody's ("**Moody's**" and together with S&P, the "**Rating Agencies**"). Each Rating Agency is established in the United Kingdom (the "**UK**") and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**") and appear on the FCA's Financial Services Register. The rating S&P and Moody's have given to the Notes to be issued are respectively endorsed by S&P Global Ratings UK Limited and Moody's Investors Service Limited, which are established in the European Economic Area (the "**EEA**") and registered under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**") and appear on the list of registered credit rating agencies of the European Securities and Markets Authority. Notes may be rated or unrated by any one or more of the Rating Agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Please also refer to "Credit ratings may not reflect all risks relating to the Notes" in the Risk Factors section of this Offering Memorandum.

*Joint Global Coordinators and Joint Bookrunners*

**HSBC** | **Lloyds Bank Corporate Markets** | **Santander Corporate & Investment Banking**

Offering Memorandum dated 25 June 2025

## NOTICES

The Notes will be obligations of the Issuer only. They will not be obligations or responsibilities of, or guaranteed by, any of the other parties to the transactions described in this Offering Memorandum (other than pursuant to the Guarantees) and any suggestion otherwise, express or implied, is expressly excluded.

If any withholding or deduction for or on account of tax is applicable to the Notes, payments on the Notes will be made subject to such withholding or deduction, and (subject to certain exceptions) the Issuer being obliged to pay additional amounts as a consequence.

Notes will be represented on issue by beneficial interests in Global Certificates, in fully registered form, without interest coupons attached, which will be deposited with, and be registered in the name of, a nominee of a common depositary for Euroclear and Clearstream, Luxembourg. Ownership interests in the Global Certificates will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg and their respective participants. Notes in definitive, certificated and fully registered form will be issued only in the limited circumstances described herein. In each case, purchasers and transferees of Notes will be deemed to have made certain representations and agreements. See "*Forms of the Notes*", "*Plan of Distribution*" and "*Transfer Restrictions*" in this Offering Memorandum.

## IMPORTANT NOTICES

This Offering Memorandum is being distributed only to, and is directed only at, relevant persons. This Offering Memorandum, or any of its contents, must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such investments will be engaged in only with, relevant persons.

Neither the delivery of this Offering Memorandum nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer or the Guarantors is correct at any time subsequent to the date hereof is correct or that there has been no adverse change in the financial position of the Issuer or the Guarantors as of any time subsequent to the date indicated in the document containing the same. None of the Joint Global Coordinators and the Joint Bookrunners, the Note Trustee, the Security Trustee or the other parties undertakes to review the financial condition or affairs of any of the Issuer or the Guarantors for as long as any Notes are outstanding or to advise any investor in the Notes of any information coming to their attention and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Memorandum or any responsibility for the acts or omissions of the Issuer or the Guarantors or any other person (other than the relevant Joint Global Coordinator or Joint Bookrunner) in connection with the issue and offering of the Notes. This Offering Memorandum is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantors or any of the other members of the Group (as defined below HSBC Bank plc, Lloyds Bank Corporate Markets plc and Banco Santander, S.A. (the "**Joint Global Coordinators**" and the "**Joint Bookrunners**"), Deutsche Trustee Company Limited (the "**Note Trustee**"**)**, Deutsche Trustee Company Limited (the "**Security Trustee**") or any of the other parties that any recipient of this Offering Memorandum should purchase any of the Notes.

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and the Guarantors and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who

is in any doubt whatsoever as to the risks involved in investing in the Notes should consult independent professional advisers.

In making an investment decision, investors must rely on their own examination of the Issuer and the Guarantors and the terms of the Notes being offered, including the merits and risks involved.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Memorandum;
- has access to, knowledge of and appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies or where the currency for principal or interest payments is different from the potential investor's currency;
- understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the experience (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

In addition, the investment activities or certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as security for indebtedness and other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The distribution of this Offering Memorandum and the offering, sale or delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Issuer and the Joint Global Coordinator and the Joint Bookrunners to inform themselves about and to observe any such restrictions. This Offering Memorandum does not constitute, and may not be used for the purposes of, an offer to or solicitation by any person to subscribe or purchase any Notes in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

We reserve the right to withdraw the offering at any time. The Initial Purchasers reserve the right to reject any offer to purchase the Notes, in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The Initial Purchasers and certain of their respective related entities may acquire a portion of the Notes for their own accounts.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Global Coordinator or the Joint Bookrunners or any parent company or affiliate of the Joint Global Coordinator or the Joint Bookrunners is a licensed broker or dealer in that jurisdiction and so agrees, the offering shall be deemed to be made by the Joint Global Coordinator or the Joint Bookrunners or such parent company or affiliate on behalf of the Issuer in such jurisdiction.

In connection with the issue of the Notes, HSBC Bank plc acting as stabilising manager(s) (the "**Stabilising Manager**") (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

If you are in any doubt about the contents of this Offering Memorandum you should consult your stockbroker, bank manager, solicitor, accountant or other financial advisor. It should be remembered that the price of securities and the income from them can go down as well as up.

All references herein to "**pounds**", "**sterling**" or "**£**" are to the lawful currency of the UK, all references herein to "**U.S. dollars**", "**U.S.$**", "**$**" and "**dollars**" are to the lawful currency of the United States of America and all references herein to "**euro**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the functioning of the European Union, as amended from time to time.

In this Offering Memorandum, words denoting the singular number only shall include the plural number also and *vice versa*.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by the EU PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECPS) ONLY TARGET MARKET** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes, has led to the conclusion in relation to the type of clients criteria only that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

**UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECPS) ONLY TARGET MARKET** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

## SETTLEMENT

Each purchaser of the Notes will be deemed to have made the representations, warranties and acknowledgements that are described in this Offering Memorandum under the section entitled "*Notice to Investors*".

The Group expects that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be six business days following the date of pricing of the Notes (this settlement cycle is being referred to as "T+6"). Under Rule 15c6-1 of the U.S. Securities Exchange Act 1934 (as amended) (the "**Exchange Act**"), trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on any date prior to one business day before delivery will be required, by virtue of the fact that the Notes initially settle in T+6 on 3 July 2025, to specify alternative settlement arrangements to prevent a failed settlement and should consult their own advisors. See "*Plan of Distribution*".

## RESPONSIBILITY STATEMENTS

This Offering Memorandum is not a prospectus for the purposes of EU Prospectus Regulation or UK Prospectus Regulation.

The Issuer and the Guarantors accept responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer and the Guarantors the information contained in this Offering Memorandum is in accordance with the facts and this Offering Memorandum makes no omission likely to affect its import.

No person has been authorised to give any information or to make representations other than the information or the representations contained in this Offering Memorandum in connection with the Issuer,

the Guarantors, the other members of the Group or the offering or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantors, the other members of the Group, Joint Global Coordinators and the Joint Bookrunners, the Note Trustee, the Security Trustee or any other party. Neither the delivery of this Offering Memorandum nor any offering or sale of Notes made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer, the Guarantors or any other members of the Group since the date hereof. Unless otherwise indicated herein, all information in this Offering Memorandum is given as of the date of this Offering Memorandum. This Offering Memorandum does not constitute an offer of, or an invitation by, or on behalf of, the Issuer or any Joint Global Coordinators or any Joint Bookrunners to subscribe for, or purchase, any of the Notes.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the other parties as to the accuracy or completeness of the information contained in this Offering Memorandum or any other information supplied in connection with the Notes or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer for the information contained in this Offering Memorandum. Each person receiving this Offering Memorandum acknowledges that such person has not relied on the Joint Global Coordinators and the Joint Bookrunners, the Note Trustee, the Security Trustee or any other party nor on any person affiliated with any of them in connection with its investigation of the accuracy of such information or its investment decision.

None of the Issuer, the Guarantors, any other members of the Group, Joint Global Coordinators and the Joint Bookrunners, the Note Trustee, the Security Trustee or any other party nor on any person affiliated with any of them accepts responsibility to investors for the regulatory treatment of their investment in the Notes (including (but not limited to) whether any transaction or transactions pursuant to which Notes are issued from time to time is or will be regarded as constituting a "securitisation" for the purposes of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the "**Securitisation Regulation**"); and (ii) the UK's Securitisation Regulations 2024 (SI 2024/102), the securitisation sourcebook of the UK FCA Handbook and the Securitisation Part of the rulebook of published policy of the Prudential Regulation Authority of the Bank of England, together with the relevant provisions of FSMA (the "**UK Securitisation Framework**") or by any regulatory authority in any jurisdiction. If the regulatory treatment of an investment in the Notes is relevant to an investor's decision whether or not to invest, the investor should make its own determination as to such treatment and for this purpose seek professional advice and consult its regulator. Prospective investors are referred to the "*Risk Factors – Issuer and Note Considerations – Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*" section of this Offering Memorandum for further information.

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## DOCUMENTS INCORPORATED BY REFERENCE

The following documents have previously been published or are published simultaneously with this Offering Memorandum and shall be incorporated in, and form part of, this Offering Memorandum:

(i) the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial year ended 30 June 2022, together with the audit report thereon (available at www.arqiva.com/about/financial-reporting/credit-investors);

(ii) the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial year ended 30 June 2023, together with the audit report thereon (available at www.arqiva.com/about/financial-reporting/credit-investors);

(iii) the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial year ended 30 June 2024, together with the audit report thereon (available at www.arqiva.com/about/financial-reporting/credit-investors);

(iv) the unaudited half-yearly consolidated financial statements of Arqiva Broadcast Parent Limited for the half-year ended 31 December 2024 (available at www.arqiva.com/about/financial-reporting/credit-investors);

save that any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained herein, modifies or supersedes such statement (whether expressly, by implication or otherwise). Any such statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Memorandum. Documents which are referred to or incorporated by reference into the documents listed above do not form part of this Offering Memorandum. Where only certain parts of documents are being incorporated by reference, any non-incorporated parts of documents referred to herein are either not relevant for an investor or are otherwise covered elsewhere in this Offering Memorandum.

Each of the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial years ended 30 June 2024, 2023 and 2022 have not been restated to reflect the restatement of historical financial information described under section "*Presentation of Financial and Other Information—Restatement*" below. As a result, certain financial information presented in this Offering Memorandum differs from the published financial statements for these periods.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Memorandum. Copies of the documents incorporated by reference in this Offering Memorandum will be available for viewing without charge as indicated under "*General Information – Documents Available*" below and at www.arqiva.com/about/financial-reporting/credit-investors.

## FORWARD LOOKING STATEMENTS

This Offering Memorandum contains various forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Issuer and/or the Obligors to differ materially from the information presented herein. When used in this Offering Memorandum, the words “estimate”, “project”, “intend”, “anticipate”, “believe”, “expect”, “should” and similar expressions, as they relate to the Issuer, the Obligors and their management, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Save as otherwise required by any rules or regulations, neither the Issuer nor the Guarantors undertake any obligations publicly to release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The risks and uncertainties referred to above include:

- the level of demand for the Group’s infrastructure or services;
- actions or decisions by governmental and regulatory bodies, or changes in the regulatory framework in which the Group operates, which may impact the ability of the Group to carry on its businesses;
- changes or advances in technology, and availability of resources such as spectrum, necessary to use new or existing technology, or customer and consumer preferences regarding technology;
- a breach or another critical disruption in the Group’s technical or information infrastructure;
- the ability of the Group to develop, expand and maintain its broadcast and telecommunications infrastructure;
- the ability of the Group to create products which are competitive or accepted by customers;
- the ability of the Group to successfully deliver its significant contracts within budget or at all;
- the ability of the Group to realise its Orderbook or its Projected EBITDA;
- the Group’s dependency on a limited number of key customers for a large percentage of its revenue;
- the creditworthiness and financial strength of the Group’s key customers;
- the ability of the Group to provide uninterrupted or quality services;
- the ability of the Group to effectively manage demand for its leased satellite transmission capacity;
- the Group’s reliance on third parties for key equipment, technology, site access and services;
- the failure of the Group to attract and retain high-quality personnel;
- work stoppages and other labour matters;
- natural disasters and other unforeseen events;
- the performance of the markets in the UK, the EU and the wider region in which the Group operates;
- the ability of the Group to comply with environmental and health, data protection, anti-money laundering, anti-bribery and sanctions regulations;
- the ability of the Group to deliver on its cost savings programme;
- the consolidation of telecommunication service providers;

- factors outside the Group's control, including inclement weather and the outbreak of contagious disease;
- the Group's pensions commitments;
- the Group's potential liability for distributing content broadcast by its customers over its network;
- regulatory prohibition or limitation on the disposal of certain of the Group's central assets;
- tax losses, a portion of which may not be available in certain circumstances; and
- the Group's future revenues, capital expenditure and working capital.

Any forward-looking statements contained in this Offering Memorandum speak only as at the date of this Offering Memorandum. Without prejudice to any requirements under applicable laws and regulations, the Issuer and the Guarantors expressly disclaim any obligation or undertaking to disseminate after the date of this Offering Memorandum any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Presentation of Financial Information

The financial information presented and discussed in this Offering Memorandum has, unless otherwise indicated (including as set out in "*Presentation of Financial and Other Information—Restatement*" below), been extracted from the audited consolidated financial statements of Arqiva Broadcast Parent Limited as at and for each of the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022, prepared and presented in accordance with the UK-adopted International Accounting Standards (the "**UK IFRS**") and with the requirements of the Companies Act 2006 and presented in pounds sterling; and the unaudited half-yearly consolidated financial statements of Arqiva Broadcast Parent Limited for the half-year ended 31 December 2024, prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the United Kingdom (altogether, the "**Financial Statements**"). The Financial Statements, the notes thereto and the respective independent auditor's reports contained therein are incorporated by reference in this Offering Memorandum as further set out in "*Documents Incorporated by Reference*" above.

The audited consolidated financial statements as at and for each of the financial years ended 30 June 2024, 30 June 2023 and 30 June 2022 have been audited by PricewaterhouseCoopers LLP, the independent auditor of Arqiva Broadcast Parent Limited.

The preparation of financial information in conformity with UK IFRS requires the use of certain critical accounting estimates, and requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of management judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in Note 4 to the Financial Statements, included elsewhere in this Offering Memorandum.

The financial information set forth in this Offering Memorandum has been subjected to rounding adjustments for ease of presentation. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not conform exactly to the total figure given for that column or row. Percentage figures included in this Offering Memorandum have not been calculated on the basis of rounded figures but have been calculated on the basis of such amounts prior to rounding.

Prospective Noteholders should read the Financial Statements of the Arqiva Broadcast Parent Limited and the notes thereto included elsewhere in this Offering Memorandum, together with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Unless otherwise indicated, the financial results and information presented in this Offering Memorandum is the historical consolidated financial information of Arqiva Broadcast Parent Limited and not that of the Issuer. See "*—Certain Definitions*". The Issuer is a wholly owned subsidiary of Arqiva Broadcast Parent Limited.

### Restatement

Subsequent to the half year December 2024 financial statements of Arqiva Broadcast Parent Limited being authorised for issue and published on www.arqiva.com, the Group has identified certain material errors and omissions impacting the unaudited half-yearly consolidated financial statements of Arqiva Broadcast Parent Limited for the half-year ended 31 December 2024 and the audited consolidated financial statements of Arqiva Broadcast Parent Limited as at and for each of the financial years ended 30 June 2024 and 30 June 2023. This Offering Memorandum presents restated financial information for each of the foregoing periods, as further discussed below. The audited consolidated financial statements of Arqiva Broadcast Parent Limited as at and for each of the financial years ended 30 June 2024 and 30 June 2023 have not been reissued or republished on www.arqiva.com. As a result, the financial information presented

in this Offering Memorandum differs from the published financial statements for these periods. The restated accounts will not be re-filed.

*Impairment of assets*

During the Group's internal diligence process in connection with the preparation of this Offering Memorandum, in the current year the Group identified a previously omitted impairment trigger arising for the Smart Utilities Networks (SUN) Cash Generating Unit ("**CGU**") assets. The relevant impairment trigger was an agreement in 2023 between the Group and the Data Communications Company (DCC) to end the Enduring Support change model. The Enduring Support service delivery model aligned with a projected constant revenue change pipeline for the Group, however it was agreed with the DCC to revise the model to an as-needed change request process going forwards. This led to management revising the Group's forecast cashflows in the new Long-Term Plan (LTP) from a consistent reliable stream to ad-hoc receipts with a reduced scope of work. The result of this was a projected fall in cashflows from financial year 2029.

The error resulted in the absence of recognised impairment expense in June 2023 and a corresponding overstatement of goodwill, other intangible assets, and property, plant and equipment (PPE) carrying value on the statement of financial position which had a continuing misstated effect on goodwill, other intangible assets and property, plant and equipment (PPE) carrying values and accumulated losses in subsequent periods of account. As a result, in the financial information presented in this Offering Memorandum:

- £126.8 million has been impaired from June 2023. This has been recognised against the SUN Goodwill balance of £117.8 million reducing it to nil, with the residual amount being recognised proportionally against SUN other intangible assets reducing them by £1.3 million, and SUN Cash Generating Unit PPE assets reducing them by £7.7 million.
- The Group has restated the Exceptional operating expenses and impairment line in the year ended 30 June 2023 consolidated income statement. The 30 June 2023 disclosure for Reconciliation of Operating Profit to Net cash inflow from operating activities has also been restated for the impact of the impairment.
- The Group has restated the Goodwill, Other intangible assets, and Property, plant and equipment lines in the year ended 30 June 2023 and 30 June 2024 consolidated statement of financial position.

*Corporation tax and capital contributions*

During the Group's internal diligence process in connection with the preparation of this Offering Memorandum, the Group identified an error arising in the unaudited interim financial statements of Arqiva Broadcast Parent Limited for the six-month period ended 31 December 2023. This was as a result of the transfer pricing treatment in the forecast figures in the accounts. The revised methodology for intra-group transfer pricing applied to periods after December 2023, as such subsequent periods are not affected by the error.

The error resulted in a material overstatement of corporation tax expense credit balance recognised in the unaudited consolidated statement of financial position as at 31 December 2023 and a corresponding overstatement of trade and other payables on the unaudited consolidated statement of financial position.

Arqiva Broadcast Parent Limited forms part of a tax group with its ultimate parent company and benefits from group relief within the wider tax group. As such, Arqiva Broadcast Parent Limited and its consolidated subsidiaries (the "**Junior Group**"), do not pay tax but recognise inter-company balances in trade and other payables in respect of group relief provided. Where Arqiva Broadcast Parent Limited allocates a tax expense within the Junior Group a capital contribution is provided by companies outside this group to compensate.

The error therefore also resulted in a material understatement in capital contribution equity as at 31 December 2023 and a corresponding understatement of trade and other payables on the statement of financial position. As a result, in the financial information presented in this Offering Memorandum:

- As at 31 December 2023, trade and other payables has been increased by £8.7 million, the capital contribution reserve increased by £7.9 million, and corporation tax charge increased by £16.6 million.
- The Junior Group has restated the Tax line in the period ended 31 December 2023 unaudited, interim consolidated income statement.
- The Junior Group has restated the Trade and other payables and Capital contribution reserve lines in 31 December 2023 unaudited interim consolidated statement of financial position.

*Restatement of the published 31 December 2024 unaudited interim financial statements*

In connection with the preparation of this Offering Memorandum and subsequent to the 31 December 2024 unaudited interim financial statements of Arqiva Broadcast Parent Limited being authorised for issue and published on www.arqiva.com, the Group has republished the 31 December 2024 unaudited interim financial statements to reflect the above prior period restatements. For comparative figures to the previously published 31 December 2024 unaudited interim financial statements of Arqiva Broadcast Parent Limited, refer to tables below.

In the six-month period ended 31 December 2024 referenced in the 31 December 2024 unaudited interim financial statements, an impairment of £68.9 million was previously recognised against Goodwill for the SUN assets. This has been adjusted by restatement and recognised in the financial year ended 30 June 2023 as detailed above. As a result, in the restated and republished 31 December 2024 Arqiva Broadcast Parent Limited financial statements incorporated by reference in this Offering Memorandum:

- £68.9 million impairment has been reversed from the six-month period ended 31 December 2024 unaudited interim consolidated income statement.
- The Group has restated the Exceptional operating expenses and impairment line in the six-month period ended 31 December 2024 unaudited interim consolidated income statement.
- The Group has restated the Goodwill line in the 31 December 2024 unaudited interim consolidated statement of financial position.
- The Group has restated the Accumulated losses line as at 31 December 2023, which has carried into the 31 December 2024 unaudited interim consolidated statement of financial position.

The restatements relating to taxation and capital contribution do not affect subsequent periods as these calculations are reperformed for each reporting period and the errors noted in period end December 2023 are not present in the methodology used subsequent to December 2023.

Further to the restatements above, the Group has noted that it had not completed its closing process grossing up of prepayments, accruals, accrued and deferred income at the period end 31 December 2024 and 31 December 2023 due to the process not being applied at the interim period. These omissions resulted in misstatements of trade and other receivables, contract assets, trade and other payables, contract liabilities, and borrowings.

The Group also identified that the reporting adjustment for the decommissioning provision as at the 31 December 2023 had not been completed. This omission resulted in misstatements of provisions, property, plant and equipment, and finance expenses.

The Group identified two separate errors with historic depreciation that were corrected at the period end 30 June 2024 financial statements. During review, it was noted that these errors would lead to a

restatement in the period ended 31 December 2023 due to them not being posted at the same time during the year, with the adjustments falling either side of December 2023. The net impact of omission resulted in a misstatement of depreciation charge, tangible assets and reserves (reflecting the accumulated depreciation to date) as at 31 December 2023 only.

As a result, the restated and republished 31 December 2024 Arqiva Broadcast Parent Limited unaudited financial statements incorporated by reference in this Offering Memorandum reflect:

- In the six-month period ended 31 December 2024, a grossing up of prepayments by £1.4 million, accruals by £4.2 million and a reduction in lease liability by £2.8 million.
- In the six-month period ended 31 December 2023, a grossing up of prepayments by £4.5 million and accruals by £4.5 million.
- In the six-month period ended 31 December 2024, a grossing down of accrued income by £3.9 million and deferred income by £3.9 million.
- In the six-month period ended 31 December 2023, a grossing down of accrued income by £3.6 million and deferred income by £3.6 million.
- In the six-month period ended 31 December 2023, an adjustment to decommissioning provision increasing the decommissioning provision by £5.1 million, reducing tangible assets by £1.0 million and reducing finance expense by £4.1 million.
- In the six-month period ended 31 December 2023, an adjustment to depreciation, increasing the charge by £11.3 million, reducing property, plant and equipment by £7.4 million and £3.9 million reflected in reserves.

These adjustments do not affect other periods as they are part of the period end close process and that process was correctly applied for year-end periods and, in the case of the decommissioning provision, this adjustment was already made for the period end December 2024.

*Restated financial statement areas*

The restated amounts, presented in the consolidated income statement in this Offering Memorandum are listed below and include updated rounding.

*Restatement of Consolidated Income Statement*

| | Six-month period to 31 December (unaudited) | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | As Reported | Adjustment | As Restated | As Reported | Adjustment | As Restated |
| | (£ millions) | | | | | |
| Depreciation | **(54.2)** | **-** | **(54.2)** | **(46.7)** | **(11.3)** | **(58.0)** |
| Exceptional operating expenses and impairment | (70.8) | 68.9 | (1.9) | (1.8) | - | (1.8) |
| Total operating expenses | (179.4) | 68.9 | (110.5) | (110.0) | (11.3) | (121.3) |
| Operating profit | 27.2 | 68.9 | 96.1 | 110.2 | (11.3) | 98.9 |
| Finance income | 0.9 | - | 0.9 | 2.5 | - | 2.5 |
| Finance costs | (171.0) | - | (171.0) | (162.2) | 4.1 | (158.0) |
| **Other gains / (losses)** | **5.8** | **-** | **5.8** | **(8.1)** | **-** | **(8.1)** |
| Loss before tax | (137.1) | 68.9 | (68.2) | (57.6) | (7.1) | (64.7) |
| Tax | (9.0) | - | (9.0) | 5.0 | (16.6) | (11.6) |
| Loss for the period | (146.1) | 68.9 | (77.2) | (52.6) | (23.8) | (76.3) |
| **Attributable to:** | | | | | | |
| Owners of the company | (146.3) | 68.9 | (77.4) | (52.7) | (23.8) | (76.4) |

| | Year end 30 June 2023 | | |
|---|---|---|---|
| | As Reported | Adjustment (unaudited) | As Restated (unaudited) |
| | (£ millions) | | |
| Exceptional operating expenses and impairment | (6.7) | (126.8) | (133.5) |
| Total operating expenses | (208.0) | (126.8) | (334.8) |
| Operating profit | 237.7 | (126.8) | 110.9 |
| Loss before tax | (86.3) | (126.8) | (213.1) |
| Loss for the year | (71.2) | (126.8) | (198.0) |
| **Attributable to:** | | | |
| Owners of the company | (71.4) | (126.8) | (198.2) |

*Restatement of Consolidated Statement of Financial Position*

The restated amounts, presented in the consolidated statement of financial position in this Offering Memorandum are listed below.

| | As of 31 December (unaudited) | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | As Reported | Adjustment | As Restated | As Reported | Adjustment | As Restated |
| | (£ millions) | | | | | |
| Goodwill | 1,389.1 | (48.9) | 1,340.2 | 1,458 | (117.8) | 1,340.2 |
| Other intangible assets | 74.3 | (1.3) | 73.0 | 68.1 | (1.3) | 66.8 |
| Property, plant and equipment | 1,177.9 | (7.7) | 1,170.2 | 1,212.8 | (16.1) | 1,196.7 |
| **Non-current assets** | 2,877.2 | (57.9) | 2,819.3 | 2,999.9 | (135.2) | 2,864.7 |
| Trade and other receivables | 130.6 | 1.4 | 132.1 | 108.2 | 4.5 | 112.7 |
| Contract assets | 10.0 | (3.9) | 6.1 | 15.4 | (3.6) | 11.8 |
| **Total assets** | 3,034.6 | (60.4) | 2,974.3 | 3,144.6 | (134.3) | 3,010.3 |
| Borrowings | (136.7) | 2.8 | (133.8) | (67.3) | - | (67.3) |
| Trade and other payables | (1,969.4) | (4.2) | (1,973.7) | (1,776.7) | (13.2) | (1,789.7) |
| Contract liabilities | (105.9) | 3.9 | (102.0) | (122.0) | 3.6 | (118.4) |
| **Current liabilities** | (2,215.6) | 2.5 | (2,213.1) | (1,969.2) | (9.4) | (1,978.6) |
| Non-current provisions | (86.4) | - | (86.4) | (81.1) | 5.1 | (76.1) |
| Non-current liabilities | (1,908.5) | - | (1,908.5) | (2,060.1) | 5.1 | (2,055.1) |
| **Net liabilities** | (1,089.4) | (57.9) | (1,147.3) | (884.7) | (138.7) | (1,023.4) |
| Capital contribution reserve | 305.3 | - | 305.3 | 281.4 | 7.9 | 289.3 |
| Accumulated losses | (1,207.8) | (57.9) | (1,265.7) | (979.0) | (146.6) | (1,125.6) |
| **Total equity attributable to the owners of the company** | (1,091.5) | (57.9) | (1,149.4) | (886.6) | (138.7) | (1,025.3) |
| **Total Equity** | (1,089.4) | (57.9) | (1,147.3) | (884.7) | (138.7) | (1,023.4) |

| | As of 30 June | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2023 | | |
| | As Reported | Adjustment (unaudited) | As Restated (Unaudited) | As Reported | Adjustment (unaudited) | As Restated (unaudited) |
| | (£ millions) | | | | | |
| Goodwill | 1,458.0 | (117.8) | 1,340.2 | 1,458.0 | (117.8) | 1,340.2 |
| Other intangible assets | 76.1 | (1.3) | 74.8 | 57.0 | (1.3) | 55.7 |
| Property, plant and equipment | 1,190.1 | (7.7) | 1,182.4 | 1,238.8 | (7.7) | 1,231.1 |
| **Non-current assets** | 2,971.1 | (126.8) | 2,844.3 | 3,036.4 | (126.8) | 2,909.6 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total assets** | 3,110.6 | (126.8) | 2,983.8 | 3,200.5 | (126.8) | 3,073.7 |
| **Net liabilities** | (957.5) | (126.8) | (1,084.3) | (4,040.3) | - | (4,040.3) |
| Accumulated losses | (1,061.9) | (126.8) | (1,188.7) | (925.0) | (126.8) | (1,051.8) |
| **Total equity attributable to the owners of the Parent** | (959.4) | (126.8) | (1,086.2) | (841.6) | (126.8) | (968.4) |
| **Total equity** | (957.5) | (126.8) | (1,084.3) | (839.8) | (126.8) | (966.6) |

The reconciliation of Operating Profit to Net cash inflow from operating activities section reports where these restatements are recognised with nil net impact on the Net cash inflow from operating activities line in the Consolidated Cash Flow Statement.

Management has considered the effect the adjustment to other intangible assets has to the amortisation charge for the periods adjusted and note it to be immaterial. Management has considered the effect the adjustment to property, plant and equipment has to the depreciation charge for the periods adjusted and note it to be immaterial. Therefore, no restatement has been made to adjust reported depreciation charges. These immaterial adjustments will be reflected in the year end 30 June 2025 audited financial statements.

*Restatement of split of Revenue and EBITDA between CGUs*

In addition to the restatements noted above effecting the published 31 December 2024 consolidated interim financial statements and the published 31 December 2023 consolidated interim financial statements, the Group also restated the disclosure at note 7, "*Revenue and segmental information*", with respect to revenue and segmental information. This misstatement is arising from the split between the Media and Broadcast (M&B) and Smart Utilities Networks (SUN) revenue streams due to incorrect mapping being used in the creation of the December period end disclosures. This error also has an effect on the EBITDA disclosures at the same note for the periods ended 31 December 2024 and 2023 and does not affect the audited consolidated financial statements for the years ended 30 June 2024, 2023 and 2022.

The effect of the restatement on the revenue and segmental information is as follows:

| | **Six-month period to 31 December (unaudited)** | | | | | |
|---|---|---|---|---|---|---|
| | **2024** | | | **2023** | | |
| | **As Reported** | **Adjustment** | **As Restated** | **As Reported** | **Adjustment** | **As Restated** |
| | **£m** | **£m** | **£m** | **£m** | **£m** | **£m** |
| Revenue - Rendering of services | | | | | | |
| Media and Broadcast | 240.3 | (2.4) | 237.9 | 245.0 | (3.6) | 241.4 |
| Smart Utilities Network | 65.1 | 2.4 | 67.5 | 79.1 | 3.6 | 82.7 |
| Consolidated | 305.4 | | 305.4 | 324.1 | | 324.1 |
| EBITDA | | | | | | |
| Media and Broadcast | 167.5 | (1.3) | 166.2 | 163.5 | (0.1) | 163.4 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Smart Utilities Network | 29.3 | 0.4 | 29.7 | 32.1 | (0.7) | 31.4 |
| Operations | (11.9) | | (11.9) | (12.6) | (0.2) | (12.8) |
| Technology | (20.2) | | (20.2) | (19.5) | 0.4 | (19.1) |
| Corporate | (10.2) | 0.9 | (9.3) | (16.9) | 0.6 | (16.3) |
| Consolidated | 154.5 | | 154.5 | 146.6 | | 146.6 |

The audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial years ended 30 June 2024, 2023 and 2022 incorporated by reference to this Offering Memorandum were not restated and any of the restated amounts presented in this Offering Memorandum will differ from them. The unaudited half-yearly consolidated financial statements for the half-year ended 31 December 2024 incorporated by reference to this Offering Memorandum were restated and republished by the Group.

PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled, nor applied agreed upon-procedures with respect to any of the restated amounts included in this Offering Memorandum and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any form of assurance with respect thereto. The PricewaterhouseCoopers LLP reports incorporated by reference to this document relates to the Group's previously issued audited financial statements. It does not extend to any of the restated amounts and should not be read to do so.

## Alternative Performance Measures

This Offering Memorandum contains certain non-IFRS measures and ratios, including EBITDA, EBITDA margin, net cash inflow from operating activities, maintenance capital expenditure and growth capital expenditure (contracted and non-contracted), which are not required by, nor presented in accordance with UK IFRS. For a reconciliation of these measures, see "*Summary Historical Consolidated Financial and Other Information*".

The Group presents these non-IFRS measures because the Group believes that they and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-IFRS measures may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Group's operating results as reported under UK IFRS. Non-IFRS measures such as EBITDA, EBITDA margin, net cash inflow from operating activities, maintenance capital expenditure and growth capital expenditure (contracted and non-contracted) are not measurements of the Group's performance or liquidity under UK IFRS or any other generally accepted accounting principles. In particular, investors should not consider EBITDA, EBITDA margin, operating cash flow after capital and financial investment activities, maintenance capital expenditure and growth capital expenditure (contracted and non-contracted) as an alternative to (a) operating profit or profit for the period (as determined in accordance with UK IFRS) as a measure of the Group's operating performance, (b) cash flows from operating, investing and financing activities as a measure of the Group's ability to meet its cash needs or (c) any other measures of performance under generally accepted accounting principles.

These non-IFRS measures have limitations as analytical tools, and investors should not consider them in isolation, or as a substitute for an analysis of the Group's results as reported under UK IFRS.

"**Cash Conversion**" means EBITDA less maintenance capital expenditure as a percentage of total EBITDA, or EBITDA less total capital expenditure as a percentage of total EBITDA as specifically defined in the document.

"**EBITDA**", as used in this Offering Memorandum, is defined as operating profit (taken from the Group's consolidated income statement data) before depreciation and amortisation, exceptional operating expenses and one-off items where the earnings or charges are not considered to be indicative of the Group's on-going operations, e.g. profit or loss on the disposal of non-current assets.

"**EBITDA margin**", as used in this Offering Memorandum, is defined as EBITDA divided by revenue.

"**EBITDA**" and "**EBITDA margin**" do not reflect and are not adjusted for:

- the cash requirements necessary to service the Group's principal debt repayments or interest payments due;
- any cash or non-cash corporation taxes that the Group may incur;
- certain non-cash income and expense items that are reflected in the Group's profit and loss statement; and
- the impact of earnings or charges resulting from certain matters the Group considers not to be indicative of its ongoing operations.

"**Maintenance capital expenditure**", as used in this Offering Memorandum, is defined as expenditure that is incurred to deliver cost-savings, productivity enhancements, to extend the useful life of existing non-current assets, or replace worn out and obsolete non-current assets with new ones in order to support existing contracts.

"**Growth capital expenditure – contracted**", as used in this Offering Memorandum, is defined as capital expenditure that is incurred to deliver new revenues or to support renewed contracts, preventing revenue decline, both of which are supported by a signed customer contract.

"**Growth capital expenditure – non-contracted**", as used in this Offering Memorandum, is defined as capital expenditure that is incurred to deliver revenues and which is supported by a business case but on which there is no signed customer contract at the time at which expenditure is incurred and reported.

Other companies in the Group's industry may calculate EBITDA, EBITDA margin, net cash inflow from operating activities, maintenance capital expenditure and growth capital expenditure (contracted and non-contracted) differently from the manner that the Group does, limiting its usefulness as a comparative measure.

"**LTM December 2024 EBITDA**", as used in this Offering Memorandum, is defined as EBITDA for the 12-month period ended 31 December 2024, calculated as EBITDA for the year ended 30 June 2024, *less* EBITDA for the six-month period ended 31 December 2023, *plus* EBITDA for the six-month period ended 31 December 2024.

## Projected EBITDA

This Offering Memorandum also includes the forecasted or estimated EBITDA for a specified future period, prepared on the basis of assumptions, estimates and judgments believed to be reasonable at the time of preparation (the "**Projected EBITDA**") as at 18 September 2024 for the financial year ended 30 June 2025. The management of the Junior Group have reviewed the Projected EBITDA against latest information being ten months actuals and two months forecasts and the Projected EBITDA remains unchanged from the Projected EBITDA published on 18 September 2024. See "*Presentation of Financial and Other Information – Alternative Performance Measures*".

Projected EBITDA is based on management estimates, is not part of the Group's consolidated financial information or financial accounting records and has not been audited or otherwise reviewed by independent auditors, consultants or experts. The Group's use or computation of this metric may not be

comparable to the use or computation of a similarly titled measures reported by other companies in the broadcast, media or communications industry. Projected EBITDA should not be considered in isolation or as an alternative measure of performance. This metric is forward-looking information that is subject to significant risks and uncertainties that could cause the actual results and financial position of the Group to differ materially. Investors are cautioned to not place undue reliance on such forecast data. See "*Forward Looking Statements*".

The prospective financial information included in this Offering Memorandum has been prepared by, and is the responsibility of, the Junior Group's management. PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the accompanying prospective financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any form of assurance with respect thereto. The PricewaterhouseCoopers LLP reports incorporated by reference to this document relates to the Group's previously issued financial statements. It does not extend to the prospective financial information and should not be read to do so.

The Junior Group and its management believe that unaudited Projected EBITDA has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Junior Group's expected course of action. The Junior Group and its management believe that the Junior Group is on track to meet the Projected EBITDA figure as set out in this Offering Memorandum. The unaudited Projected EBITDA has been prepared on a basis that is comparable with the historical financial information and is consistent with the Group's accounting policies. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

The prospective financial information included in this Offering Memorandum is based on assumptions made by the Junior Group and its management using the projected covenant calculations at the level of the Senior Financing Group. The published projections were based on detailed actual and budgeted assumptions which are adjusted for known events or new assumptions based on latest views of the Junior Group and its management. The management of the Junior Group have reviewed the Projected EBITDA against latest information being ten months actuals and two months forecasts and the Projected EBITDA remains unchanged from the Projected EBITDA published on 18 September 2024.

The below assumptions have been made regarding the prospective financial information, but these are outside of the Junior Group and its management's control and, if such assumptions are inaccurate, could materially change the outcome of the forecast. These include:

- in respect of inflation, an adjustment based on the Retail Price Index ("**RPI**") or the Consumer Price Index ("**CPI**") has been applied to revenue under each long-term contract where appropriate, although projections are based on detailed contracts and orderbook data, with staged index mechanisms (such as annual indexation adjustments);
- certain assumptions regarding accretion as affected by interest rates and inflation rates have been made, although the impact would be limited by the accretion cap and floor derivatives that are in place;
- in respect of contract duration, (i) for contracts in the Media and Broadcast and Smart Utility Networks ("**SUN**") divisions, the full contract term has been applied, no early termination has been assumed, and is based on agreed rollout within the relevant Asset Management Periods ("**AMP**") for contracts with water companies (with the exception of four new contracts with water companies that have been signed) and (ii) for contracts in the DTT Capacity division, the Group has assumed that the contract will be terminated at the first break-clause;
- in respect of pass-through cost clauses for contracts in the Media and Broadcast division, electricity pass-through revenues are included within the contracted revenue;

- in respect of new customers and estimates of renewals of contracts, projections are based on the latest orderbooks and sales pipeline data, but may be subject to change;
- in respect of cost base, projections are based on contracted commitments which have been extrapolated, with some unsighted commitments estimated to support the unsighted growth assumptions; and
- in respect of capital expenditure, projections are based on the latest cost of inflight capital programme to completion forecasts plus the latest views on planned activities yet to be commenced, the majority of which utilise internal resources and established supplier base.

## Orderbook

The Group has also included in this Offering Memorandum certain information regarding its orderbook. "**Orderbook**" reflects management's estimates of the Junior Group's potential future revenue to be derived from awarded contracts and reflects nominal values which have not been adjusted to represent net present values. The Group believes that such information is reliable and based upon reasonable assumptions, but this information has not been independently verified. The Group has made a number of assumptions in compiling such information, including the following: (1) in respect of inflation, an adjustment based on the RPI or the CPI has been applied to revenue under each long-term contract where appropriate; (2) in respect of contract duration, (i) for contracts in the Media and Broadcast and SUN divisions, the full contract term has been applied, no early termination has been assumed, and is based on agreed rollout within the relevant Asset Management Periods (AMP) for contracts with water companies (with the exception of four new contracts with water companies that have been signed) and (ii) for contracts in the DTT Capacity division, the Group has assumed that the contract will be terminated at the first break-clause, (3) in respect of pass-through cost clauses for contracts in the Media and Broadcast division, electricity pass-through revenues are included within the contracted revenue.

Orderbook is derived from management estimates, is not part of the Junior Group's consolidated financial information or financial accounting records and has not been audited or otherwise reviewed by independent auditors, consultants or experts.

The Orderbook included in this Offering Memorandum has been prepared by, and is the responsibility of, the Junior Group's management. PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the accompanying Orderbook and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any form of assurance with respect thereto. The PricewaterhouseCoopers LLP reports incorporated by reference to this document relates to the Group's previously issued financial statements. It does not extend to the Orderbook and should not be read to do so.

The Group's use or computation of this term may not be comparable to the use or computation of a similarly titled measure reported by other companies in the broadcast, media or communications industry. This term should not be considered in isolation or as an alternative measure of performance. The Group cannot assure that these assumptions will be correct and undue reliance should not be placed on such information. See also "*Forward Looking Statements*" for a discussion of the risks related to forward-looking statements.

## CERTAIN DEFINITIONS

In this Offering Memorandum, the "**Group**" means Arqiva Group Limited and its Subsidiaries (together) or, for the purposes of the presentation of financial data[1] included in the sections headed "*Summary Historical Consolidated Financial and Other Information*", "*Risk Factors*", "*Use of Proceeds and Refinancing Mechanics*", "*Capitalisation*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", and the purposes of the Conditions of the Notes, the "**Junior Group**" means the Parent Guarantor and its consolidated subsidiaries, in each case unless the context otherwise requires or unless otherwise indicated.

In this Offering Memorandum, the "**Issuer**" means Arqiva Broadcast Finance plc, a wholly owned subsidiary of the Parent Guarantor.

In this Offering Memorandum, all references to management, directors and executive officers refer to the management, directors and executive officers of Arqiva Broadcast Parent Limited.

A reference to "**Current Shareholders**" is a reference to the persons who as at the date of this Offering Memorandum are the legal owners of the entire issued share capital of Arqiva Group Limited (being D9 Wireless OpCo 2 Limited (48.022%), MEIF II Luxembourg Communications S.à r.l. (25.01%), Conyers Trust Company (Cayman) Limited in its capacity as trustee of the IFM Global Infrastructure Fund (14.843%), Trust Company Limited (in its capacity as custodian for Health Super Investments Pty Ltd in its capacity as trustee of First State Super Infrastructure Trust) (5.428%) and MTAA Superannuation Fund Pty Limited in its capacity as trustee MTAA Superannuation Fund (NTL Broadcast) Utilities Trust) (5.167%), Macquarie PRISM Proprietary Limited (0.814%) and MGIF2 Communications S.à.r.l. (0.716%). All percentages included in this paragraph are references to the percentage of the equity share capital held in Arqiva Group Limited as at the date of this Offering Memorandum.

The Index of Defined Terms containing all terms defined elsewhere in this Offering Memorandum is set out on page 396, other than any terms defined by reference to the Common Terms Agreement, which shall have the meaning given to them in the section titled "*Defined Terms for the purposes of the Common Terms Agreement*".

[1] References to the Junior Group are made with respect to the presentation of financial data in these sections due to the Financial Statements being the consolidated financial statements of the Parent Guarantor and its consolidated subsidiaries.

## HISTORICAL AND CURRENT MARKET AND INDUSTRY DATA

This Offering Memorandum includes market share and industry data, which the Group obtained from industry publications and surveys, industry reports prepared by consultants, internal surveys and customer feedback. The market, economic and industry data has been derived and extrapolated from information from the following sources:

- Age UK;
- BBC;
- Broadcasters Audience Research Board ("**BARB**");
- Carnstone;
- Channel 4;
- Channel 5;
- The Department for Culture, Media and Sport (the "**DCMS**"), including the "Future of TV Distribution Report 2024";
- Digital Poverty Alliance ("**DPA**");
- Digital TV Research;
- Enders Analysis Limited;
- Ernst & Young ("**EY**");
- Everyone TV;
- Freeview;
- House of Commons;
- Ipsos;
- ITV;
- Liberty Global;
- National Infrastructure Commission;
- The Office of Communications ("**Ofcom"**), including the "Connected Nations Report 2018", the "Communications Market Report 2018",the "Digital Radio Report", and the "Media Nations Report 2024";
- The Office for National Statistics ("**ONS**");
- The Office of Gas and Electricity Markets (the "**Ofgem**");
- Radiocentre;
- Radio Joint Audience Research ("**RAJAR**");
- Statista;
- Thinkbox;
- TV Licensing;

- UK Parliament;
- Virgin Media; and
- WorldDAB.

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The Group confirms that the information from the above sources has been accurately reproduced and that as far as the Group is aware no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Offering Memorandum, the source of such information has been identified. None of the third-party sources has made any representation, express or implied, and has not accepted any responsibility, with respect to the accuracy or completeness of any of the information contained in this Offering Memorandum, and none of the third parties used as a source nor any of their affiliates, subsidiary companies, shareholders, directors or any of their relatives holds any shareholding or interest whatsoever in the Group.

These third-party sources generally state that the information they contain has been obtained from sources believed to be reliable. However, these third-party sources also state that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on significant assumptions. As the Group does not have access to all of the facts and assumptions underlying such market data, statistical information and economic indicators contained in these third-party sources, the Group is unable to verify such information and cannot guarantee its accuracy or completeness. The Group believes that the internal surveys, industry forecasts and market research, to the extent quoted or referred to herein, are reliable, but the Group cannot guarantee their accuracy or completeness.

This Offering Memorandum includes reference to certain research that has been prepared by Enders Analysis Limited in its report "Broadcast transition to IP – Accelerating, but a long way to go on DTT – 1 October 2024", which was published solely for guidance and general informational purposes. It may contain the personal opinions of research analysts based on research undertaken. Such research has no regard to any specific recipient, including but not limited to any specific investment objectives, and should not be relied on by any recipient for investment or any other purposes. Enders Analysis Limited's projections are based on there being no managed transition to IP in DTT homes, satellite continuing and there being similar numbers of broadcast linear channels on both platforms going forward. Enders Analysis Limited gives no undertaking to provide any additional information or to update or keep current any information or opinions. The information from and any opinions of Enders Analysis Limited are based on sources believed to be reliable but the Group cannot guarantee the accuracy or completeness of the information relied upon by Enders Analysis Limited . Enders Analysis Limited, its officers, employees and agents make no warranties or representations, expressed or implied, as to the accuracy or completeness of information and opinion provided by them and exclude all liability to the fullest extent permitted by law for any direct or indirect loss or damage or any other costs or expenses of any kind which may arise directly or indirectly out of the use of such information or opinions.

In addition, certain information in this Offering Memorandum is not based on published data obtained from independent third parties or extrapolations thereof but on information and statements reflecting the Group's best estimates based upon information obtained from trade and business organisations and associations, consultants and other contacts within the industries in which the Group competes, as well as information published by the Group's competitors. Such information is based on the following: (i) in respect of the Group's market position, information obtained from trade and business organisations and associations and other contacts within the industries in which the Group competes and (ii) in respect of industry trends, the Junior Group's senior management team's business experience and experience in the industry and the markets in which the Group operate. The Group cannot assure you that any of the assumptions that it has made in compiling this data are accurate or correctly reflect the Group's position in its markets.

## GLOSSARY OF TECHNICAL TERMS

The following glossary of technical terms is not intended to be exhaustive, but provides a list of certain of the technical terms used in this Offering Memorandum.

| | |
|---|---|
| **2G** | Second generation mobile technology. |
| **3G** | Third generation mobile technology. |
| **4G** | Fourth generation mobile technology. |
| **5G** | Fifth generation mobile technology. |
| **AIP** | Administered Incentive Pricing, a type of spectrum fee to encourage efficient use of spectrum capacity which Ofcom is can consider imposing in relation to spectrum licences. |
| **BARB** | Broadcasters Audience Research Board, a third-party research institution. |
| **BECTU** | Broadcasting, Entertainment, Communications and Theatre Union. |
| **Churn** | The number of disconnections by MNO service subscribers during a period divided by the average number of subscribers during the same period. |
| **CMA** | The Competition and Markets Authority, an independent UK regulatory body that investigates and monitors mergers and market competition, and performs certain oversight functions with regard to major regulated industries (preceded by the Competition Commission). |
| **D1** | Digital One Limited, a national commercial digital radio Multiplex owned by the Group. |
| **DAB** | Digital audio broadcast. |
| **DCMS** | Department for Culture, Media and Sport |
| **Digital Radio Switchover or DRS** | The shift from existing analogue radio services to DAB. |
| **DTH** | Direct-to-home. |
| **DTT** | Digital terrestrial television. |
| **ECN** | Electronic communications network. |
| **Everyone TV** | A non-profit organisation that facilitates Freeview use, owned by the BBC, ITV, Channel 4 and Channel 5. |
| **FTA** | Free-to-air. |
| **GHz** | Gigahertz. |
| **HD** | High definition. |
| **IoT** | Internet-of-Things |
| **IP** | Internet protocol. |
| **IPTV** | Internet protocol television. |
| **IT** | Information technology. |
| **ITU** | International Telecommunication Union. |
| **JV** | Joint venture. |

| | |
|---|---|
| **M2M** | Machine to machine. |
| **MB** | Megabytes. |
| **Mbps** | Megabits per second. |
| **MNOs** | Mobile network operators. |
| **MPEG** | Moving Picture Experts Group, a standard for video compression. |
| **MTS** | Managed transmission services, a managed service offered to broadcasters involving transmission services provided from terrestrial broadcast sites. |
| **Multiplexes** | A licence or authorisation to provide a group of DTT or digital radio channels on a specified frequency band. |
| **NA** | Network access, wholesale access to terrestrial broadcast sites, supplied to an Transmission Services Provider in order to enable the provision of MTS to a broadcaster. |
| **Ofcom** | The Office of Communications in the UK, the primary UK telecommunications and broadcasting regulatory body. |
| **OTA-BTS** | The Office of the Adjudicator – Broadcast Transmission Services, the independent adjudicator appointed by Ofcom in accordance with the Undertakings with the responsibility to (amongst other things) issue guidance and address any dispute raised by any customers regarding effective operation of the Undertakings. |
| **OTT** | Over-the-Top – popularly known as streaming services) |
| **PoP** | Point of presence. |
| **PSB** | Public service broadcaster. |
| **RPI** | The UK Retail Price Index as published by the UK Office for National Statistics. |
| **SD** | Standard definition. |
| **SIM** | Subscriber identity module. |
| **SLA** | Service level agreement. |
| **SLC** | Substantial lessening of competition. |
| **Smart metering** | A national government-led project, directed by the Department of Energy and Climate Change, expected to allow telecommunications monitoring of domestic utility meters. |
| **UHD** | Ultra-high definition. |
| **UHF** | Ultra high frequency. |
| **Undertakings** | Undertakings required of the Group as provided to the UK Competition Commission. |
| **VOD** | Video-on-Demand |
| **WACC** | Weighted Average Cost of Capital. |

## SUMMARY

*The following does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Memorandum. The overview should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in this Offering Memorandum or incorporated by reference in this Offering Memorandum, including the consolidated financial statements. The Offering Memorandum should be read carefully to understand the business, the nature and terms of the Notes and the tax and other considerations which are important to the decision to invest in the Notes, including, without limitation, the risks discussed under "Risk Factors". In addition, certain statements in this overview include forward-looking information that involves risks and uncertainties.*

### Business Overview

The Group is the UK's pre-eminent national provider of television and radio broadcast infrastructure and provides end-to-end connectivity solutions in the media and utility industries. The Group is also a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels available for UK DTH satellite broadcast. Over recent years, the Group has also expanded its connectivity solutions portfolio in the Media and Broadcast segment deploying cloud and IP based solutions, building on its well-established existing satellite and fibre capability.

The Group has been an early and leading participant in the development of smart utility infrastructure in the UK through its smart water and energy metering services and provides satellite connectivity services for energy distribution networks.

Revenue has increased over the past two years with revenue of £613.3 million and £645.2 million for the years ended 30 June 2023 and 2024, respectively, with EBITDA of £337.2 million and £309.4 million, for the years ended 30 June 2023 and 2024, respectively.

The Group's unique asset base (the Group's property, plant and equipment was £1.2 billion as of 31 December 2024, as restated) enables it to generate revenues underpinned by long-term inflation-linked contracts, as demonstrated by a strong Orderbook of £2.9 billion as of 30 June 2024 (calculated on a real terms basis with no assumptions for contractual inflation)[1], with significant revenue visibility. Approximately 73% of the Group's actual revenues realised in the year ended 30 June 2024 were already contracted as at 30 June 2023.

The Group operates through two main commercial functions: Media and Broadcast and SUN.

In this Offering Memorandum, market share metrics are the Group's estimates.

#### Media and Broadcast

The Group's Media and Broadcast revenue function is composed of DTT transmission, DTT capacity (Digital Platforms), Radio transmission, Radio capacity and Managed Media Services segments.

The Group benefits from a regulated position as the sole UK national provider of transmission services for DTT broadcasting, the most used TV platform for the consumption of linear and live content in television homes across the UK. The Group operates all television transmission sites used for DTT broadcasting in the UK, with over 1,450 broadcast transmission sites of which c.1,150 are television transmission sites, covering 98.5% of the UK population, and comprising approximately 4,500 TV transmitters. The Group

[1] £3.4bn total estimated ABPL orderbook as at April 2025 (for contracts beyond 1 July 2025) expressed on a nominal basis, representing 5.3x multiple of FY24 Arqiva Broadcast Parent Limited revenue.

also operates more than 80 compression systems across DTT, DTH and Radio. Certain services within the Media and Broadcast segment are regulated and they represent 44% of Group revenue[1].

Through its Digital Platforms division, the Group is also the UK market leader for the provision of access to the DTT platform for broadcast channels, operating the license for two (of six) national DTT Multiplexes used for transmission of DTT services in the UK. The Group's DTT Multiplexes have 34 streams carrying 40 channels including full time 24/7 TV channels in addition to part time TV and radio services as of 30 June 2024.

The Group's network enables the public service broadcasters (PSB) - BBC, ITV, Channel 4 and Channel 5 - to meet the obligations under their licences to provide universal coverage to 98.5% of UK households. This is through the subscription-free TV platform Freeview plus other services which include a DTT tuner (e.g. Freely, BT TV, TalkTalk TV). Through operating its own multiplex services the Group also permits leading broadcasters such as Sky, Warner Bros, Discovery and UKTV to deliver broadcasting content to 90% of UK households using its channel capacity. While consumer preference indicates rising use of "over the top" ("**OTT**") services, popularly known as streaming services, free to air ("**FTA**") television retains a majority share of live video viewing in the UK as per published TV viewing data, especially for older age groups. The near-universal coverage of DTT combined with both affordability and broadband coverage and uptake constraints suggest that the future is likely to remain a hybrid of FTA TV, Pay-TV and OTT with a substantial share of viewing driven by FTA TV, which is underpinned by broadcast services.

The Group also benefits from its regulated position as the only UK national provider of radio broadcast transmission services with a 100% national market share, covering both analogue and digital services through Digital Audio Broadcast (DAB). The Group had radio network infrastructure comprising approximately 1,700 analogue transmitters and c.1,020 DAB transmitters on over 690 radio sites, providing coverage of up to 99% of the UK population as of 30 June 2024. The Group's three largest customers account for approximately 90% of total radio listening time across the UK (Source: Ofcom Media Nations 2024).

The Group is also the operator of the two (of two) national commercial digital radio multiplexes (including through joint ventures) and held 25 of the UK's 58 local DAB radio licences as of 30 June 2024. Further, the Group is the service provider for the BBC national digital radio Multiplex. The Group intends to support its customers and the industry by continuing to develop digital DAB radio as an attractive medium for listeners and planning for the expected eventual phase-out of analogue (AM closure is expected to be phased over time and completed before 2030 while there have been Government statements of support for no FM switch-off before 2030), and positioning DAB as the default replacement network for analogue services.

The Group's Managed Media Services business segment is a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels uplinked for DTH satellite broadcast. The Group provides services to c.24% of fully managed channels for UK DTH as of 30 June 2024. The Group operates more than 80 uplink dishes in five teleports (ground stations that act as a hub to connect a satellite network to a terrestrial telecommunications network), accessing more than 25 satellites and delivering media content to five continents.

The Group also provides ground station or gateway services to Low Earth Orbit operators, connecting their satellites to telecommunications network, enabling them to provide internet services to households and businesses. The Group also procures third-party ground-based teleport services where a line of sight to a satellite cannot be achieved from its UK assets. This infrastructure enables the Group to provide customers with a comprehensive range of services to deliver their data, broadcast content and media services

[1] Regulated revenue from Media and Broadcast divided by group revenue, as of June 2024.

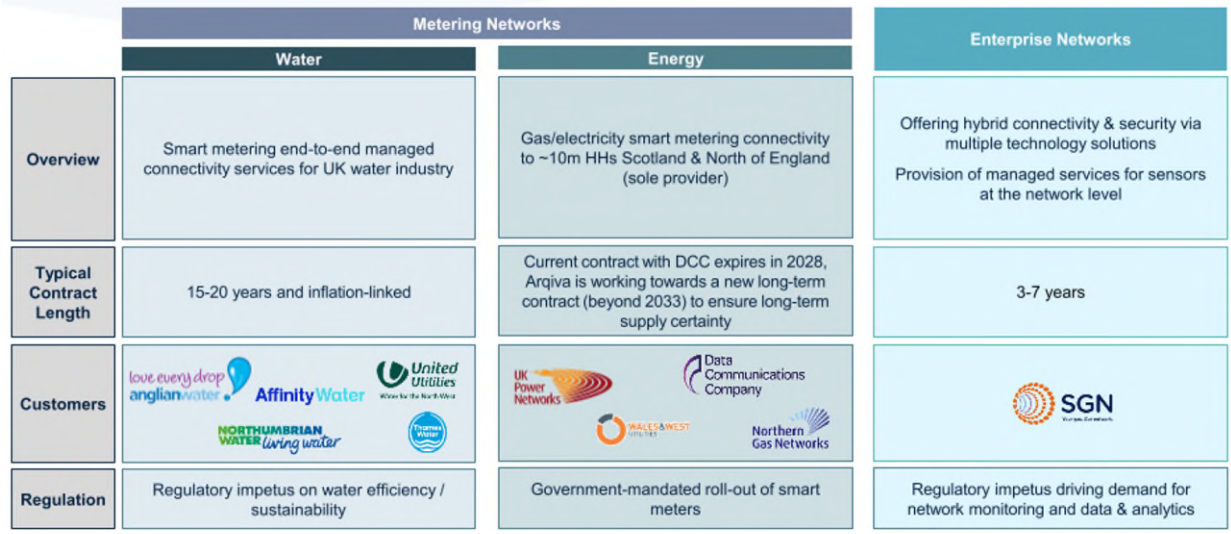
internationally. In addition, the Group provides encryption, multiplexing, up-linking and satellite space to channel operators through its global media distribution offering.

The Group provides network connectivity capabilities at over 300 key media and broadcast locations delivering content in the UK through its own optical and IP enabled networks and to the five continents around the world through leased access to a third-party global fibre network. The Group also provides IP and cloud-based services including distribution of broadcast channels and live sports globally, (augmenting its satellite and fibre footprint) reaching over 100 countries, video-on-demand content to over 40 streaming platforms, cloud-based content processing services (called multiplexing or head ends) and streaming solutions for OTT platforms.

**SUN**

The Group's second revenue function, SUN, is composed of its smart metering business and satellite data communications segments.

The Group has invested in building smart network capabilities to support UK Utilities in responding to regulatory, operational and societal factors.

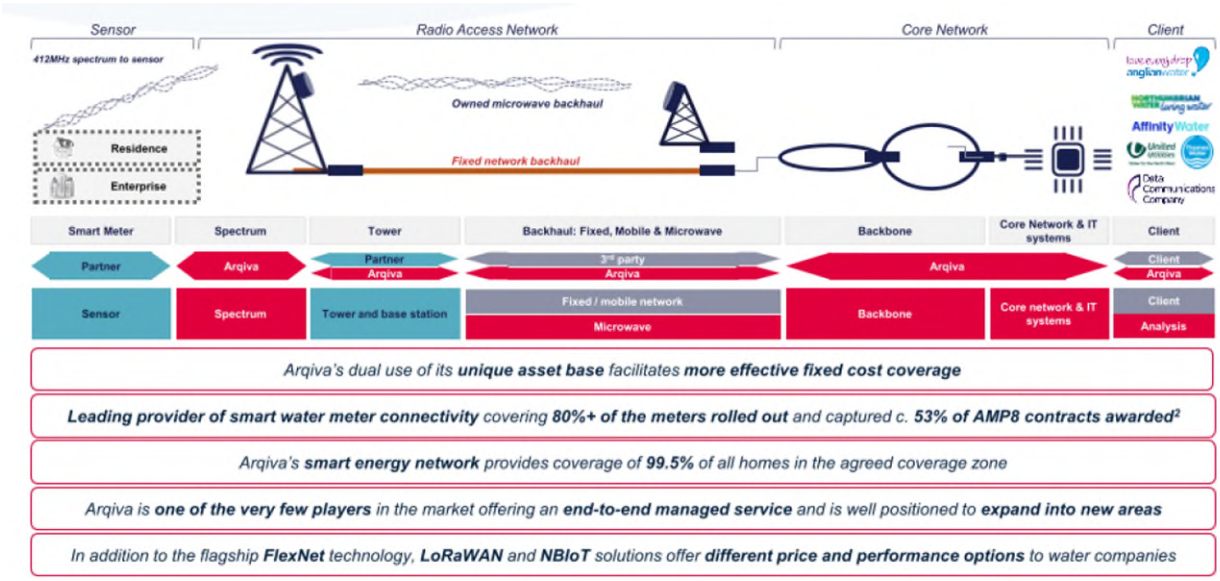



In the energy segment (Electricity and Gas), the Group supports smart metering through a contract with the Data Communications Company (the "**DCC**"), which is an entity operating under the Smart Meter Communication Licence granted by Ofgem and responsible for developing and operating the centralised infrastructure that facilitates secure communication between smart meters, energy suppliers, network operators, and other authorised users. The contract has a length of 15 years and includes the creation of a dedicated network providing coverage to premises in the North of England and Scotland regions.

As of March 2025, c.6 million smart energy hubs and smart water meters connected to Arqiva's network with over 50 million data points delivered each day. In the energy segment the Group also offers connectivity solutions for Electricity and Gas distribution networks including a new contract signed in 2024 with SGN to support enhanced connectivity to remote assets and locations. Enhanced connectivity solutions are a key priority for these organisations and are supported by Government policy as demonstrated in the priorities set out for the next regulatory pricing period (ED3 starting in 2028).

In the Water segment, the Group supports smart metering through contracts with a growing number of water companies who are investing in Advanced Metering Infrastructure ("**AMI**"). The Group secured the majority of AMI market share in the previous regulatory period (April 2020 to March 2025) and has secured more than 50% of the market (measured by volume of smart meters) awarded so far for the next 5-year regulatory period. As of February 2025, the Group has 2.1 million meters connected daily to the Group's

networks, the majority with Thames Water and Anglian Water alongside smaller scale to Affinity Water and Northumbrian Water. As at the date of writing, the Group is beginning to deliver against new contracts and requirements for Anglian Water, Thames Water, United Utilities, Affinity Water and Portsmouth Water. The Group continuously reviews its business to ensure it focuses on core areas that are important to its customers and is actively engaging with water companies to understand how it can support programmes which require smart sensors to monitor key operational and regulatory obligations. The chart below shows how the Group plays a key role in the smart utility networks infrastructure in the UK.




### *Competitive strengths*

The Group believes that its success to date and its potential for future cash generation and growth are primarily attributable to the following strengths:

*Sole operator of critical national infrastructure for DTT and radio transmission and market leader for DTT and radio capacity*

The Group is the leading provider of universal TV and radio broadcasting services, operating a network of 1,450 broadcast sites, supporting more than 132 Freeview channels and 711 DAB stations, reaching every corner of the UK. The Group benefits from a regulated position as the sole UK national provider of transmission services for DTT broadcasting, the most popular television broadcast platform in the UK in terms of the number of homes served. It operates all television transmission towers used for DTT broadcasting in the UK, with c.1,150 transmission sites covering 98.5% of the UK population.

The Group also benefits from its regulated position as the only UK national provider of radio broadcast transmission services with a 100% national market share, covering both analogue and digital services through Digital Audio Broadcast (DAB). The Group had radio network infrastructure comprising approximately 1,700 analogue transmitters and c.1,020 DAB transmitters on over 690 radio sites, providing coverage of up to 99% of the UK population as of 30 June 2024. As of Q3 2024 c. 70% of audio consumption was on radio with platforms operated by Arqiva (AM/FM, DAB and Digital TV) contributing to ~72% of radio listing.

Through its DTT Capacity business, the Group is also the UK market leader for the provision of access to the DTT platform for broadcast channels, owning two of the three national commercial Multiplexes (out of a total of six main national DTT Multiplexes). Combined the two commercial DTT multiplexes provide 34 video streams of which the majority are occupied by blue-chip customers. Despite pricing pressures, the

Group has achieved new channel launches and maintained strong capacity utilisation. The average level of utilisation in the last complete financial year period ending June 2024 was over 99%.

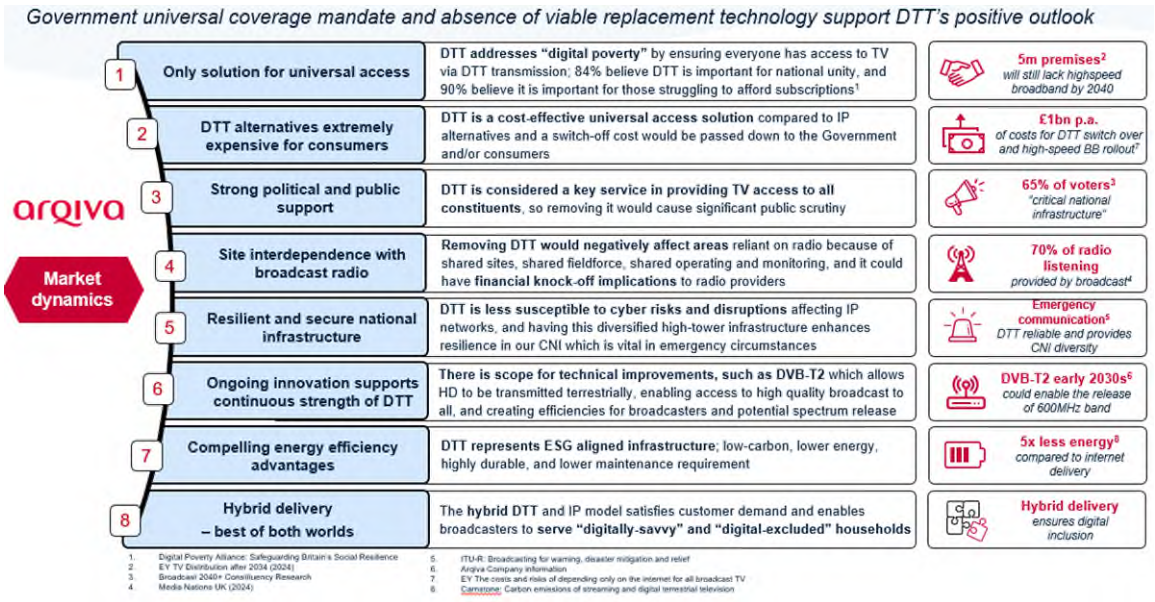
As part of its Radio Capacity business, the group operates the license for two of the two national commercial digital radio multiplexes Sound Digital and Digital One. Digital One is 100% owned by Arqiva while Sound Digital is owned via Joint Venture of which the group owns 40%. Both national DAB multiplexes remain fully occupied with 80% of D1 capacity contracted until 2035.

*Structurally stable underlying dynamics in the Group's media and broadcast business, underpinned by a range of political, social and regulatory factors*

The UK TV market is large and growing, with an estimated 97% of households owning one TV compared to 93% in 2013 (Source: Statista). Within this market, the Group serves the FTA segment via the DTT platform. DTT, through Freeview and other TV services which include a DTT tuner, remains the most used TV platform for the consumption of linear and live content in television homes across the UK. Broadcast live TV viewing for those aged 65 and over averaged over 250 minutes per day in 2024 (Source: Enders Analysis). The UK DTT platform is supported by a number of important favourable structural drivers, including the cultural role it plays in delivering live TV to viewers and its high relevance to broadcasters and advertisers given the platform's wide reach and strong political support (FTA viewing is popular amongst the key voting demographics), as well as the difficulty of replicating coverage and access by other means. Commercially, DTT remains a significant contributor to UK's TV advertising market of c.£5 billion per annum and is an indispensable distribution medium for broadcasters relying on advertising as a revenue stream including, amongst others, ITV, Channel 4, Warner Bros Discovery and UKTV. The Group has the most efficient and only platform in the UK capable of enabling the PSBs to meet their 98.5% universal coverage obligations imposed by Ofcom, making its infrastructure "mission critical" to the PSBs. TV shows on PSB stations continue to attract high viewing in the UK. In the week commencing 10 March 2025, all 50 of the UK's 50 most watched programmes were on PSB channels (Source: Thinkbox).

The Group believes there is also presently no credible replacement technology to DTT which would rival DTT's ability to provide universal coverage, its reach and installed base, and its ability to deliver content free at the point of access. Approximately 50% of all UK TV set viewing is predicted to remain via broadcast by 2040 with live DTT predicted to account for 16 billion hours of TV viewing time in DTT households by 2039, down from 21 billion hours in 2024 (Source: Enders Analysis)[1]. The role of DTT is not expected to change in the medium term with licences for five of the six national DTT licences extended until 2034 and a UK Government commitment until - at least - that point.

[1] "Broadcast transition to IP – Accelerating, but a long way to go on DTT – 1 October 2024". Enders Analysis' projections are based on there being no managed transition to IP in DTT homes, satellite continuing and there being similar numbers of broadcast linear channels on both platforms going forwards.




The DCMS is currently undertaking a review of the long-term future of DTT as part of its Future of TV distribution stakeholder forum[1]. This is a ministerial-led process with aim of driving forward policy. The Group is actively involved in the forum and submitting its views and perspective. The DCMS forum builds on the prior work by Ofcom in its Future of TV distribution report published in May 2024[2].

In recent years, the UK has seen the emergence of alternative viewing platforms, and these platforms can be complementary with DTT and traditional pay platforms which are broadcast through Satellite or Cable. Hybrid platforms leverage the reach and cost effectiveness of DTT to deliver the FTA services with interactive services typical of IP, such as catch-up and on-demand (e.g. via the BBC iPlayer). The increase in "pay lite" services (e.g. Netflix, Amazon, Disney+) gives consumers further optionality to combine DTT with a cheaper OTT offering. This trend also supports the Managed Media Services segment within the Media and Broadcast division, which has been providing IP streams and video-on-demand ("**VoD**") processing services since 2015 and is currently undergoing an expansion of the Group's capabilities, to support a recently secured global media contract. The Group has invested in cloud-based delivery services, see Business Strategies section for further detail.

The SUN market is also scaled and structurally stable evidenced by long term government policy, long term contracts, multi-year regulatory windows, all of which are applicable to both the water and energy markets.

Smart metering is viewed positively by the government, regulators and consumers alike. Smart water metering supports the prevention of waste and leakage, transparency of usage resulting in up to 17% reduction in personal water consumption[3]. £2.5bn of funding has been approved for smart metering as part of a wider £104bn overall investment plan in water infrastructure with 10m smart water meters to be rolled out between 2025 and 2030 (AMP8 - Ofwat).

*Well placed to continue winning market share in large and growing managed media and smart meter markets, leveraging its unique and long-life asset base*

The Group's Managed Media Services is a leading operator in the fragmented satellite and media market in the UK. The Group owns a significant asset base with more than 80 uplink dishes providing access to

1 Future of TV Distribution Stakeholder Forum – terms of reference – GOV.UK

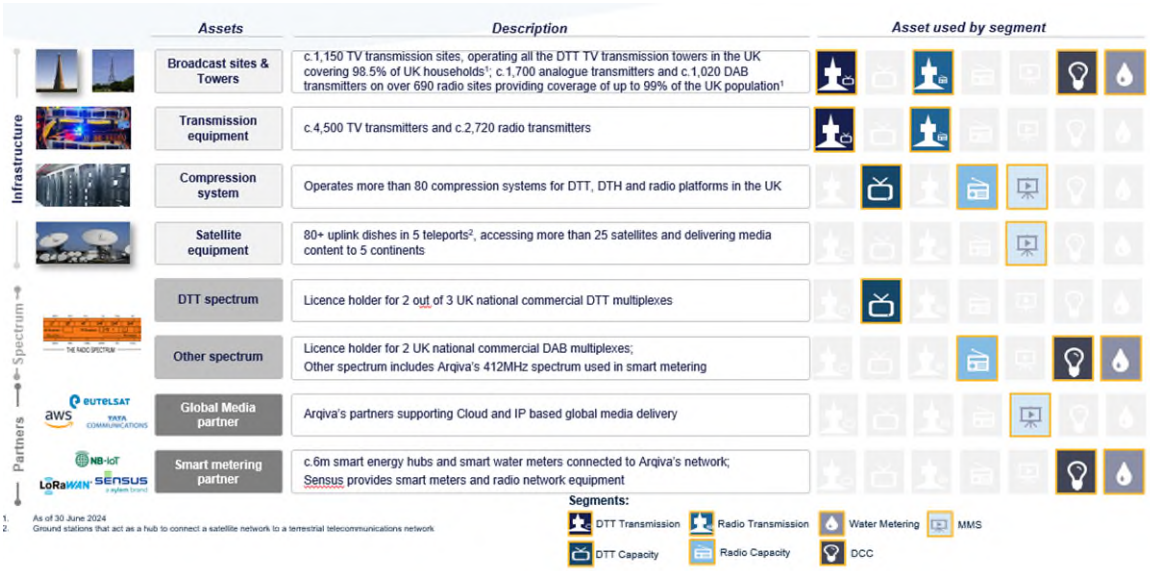
2 Future of TV Distribution – Early market report to Government (Ofcom, 9 May 2024).

3 National Infrastructure Commission.

more than 25 satellites owned by third parties and five teleports delivering media content to five continents, supported by connectivity access to over 300 key media and broadcast content processing locations around the globe through its own optical and IP enabled networks in UK and leased access to a third-party global fibre network. The Group's growing portfolio of IP and cloud-based products and solutions support its existing customers in their transition to a hybrid distribution model and positions the Group to expand into new international markets. New products include Arqplex (Headend solution), Arqade (global cloud-based content interchange), Arqedge (Streaming Optimisation), Arqads (Smart advertising on DTT and UK DTH platforms), cloud-based playout and Audio Streaming and podcasting solutions. Based on analysis by Arqiva's management, the total addressable market for global markets in-scope was £600 million in the UK and £1,001 million in the international markets.

The Group has also positioned itself as a market leader in the UK for smart meter networks. It is one of only three communication service providers for smart energy meter connectivity in the UK and is a leading provider for smart water meter connectivity. The Group believes it has unique capabilities in water metering, including its long-range radio solution, which provides a very high performing solution for water smart metering (consistently delivering high metering reads enabling compliance with Ofwat performance standards). The Group has secured 2.9 million meters out of 5.5 million (i.e. c.53% share) of the AMP8 contracts awarded to date and the management estimates that the Group secured 80% share of AMP7 smart meter contracts awarded. The Group also offers other solutions forming a comprehensive set of options for Water companies.

The Group has an unrivalled Media and Broadcast asset base, which the Group believes is not economically feasible to replicate including Broadcasting sites & Towers, Transmission equipment, Compression systems, Satellite equipment. As well as DTT and other spectrum. DTT & Radio sites are used for multiple purposes including for the managed media services and smart utility networks. Below table provides an overview of the multiple applications of the different asset classes.




*Stable revenue underpinned by long-term inflation-linked contracts*

The Group has significant revenue visibility with an Orderbook of £2.9 billion as of 30 June 2024 (calculated on a real terms basis with no assumptions for contractual inflation)[1], representing 4.5 times coverage of revenues for the year ended 30 June 2024. The Orderbook is underpinned by the Group's established

[1] £3.4bn total estimated ABPL orderbook as at April 2025 (for contracts beyond 1 July 2025) expressed on a nominal basis, representing 5.3x multiple of FY24 Arqiva Broadcast Parent Limited revenue.

relationships with its high-quality customers. Long-term contracts provide the Group with a high degree of visibility over a sizeable portion of its expected annual revenue at the commencement of each fiscal year. Approximately 73% of the Group's actual revenues realised in the year ended 30 June 2024 were already contracted as of 30 June 2023.

The Group has a diverse, blue-chip customer base across all business functions, including all the UK's PSBs (BBC, ITV, Channel 4, Channel 5), and major international broadcasters (e.g. Warner Bros Discovery, Paramount, Multichoice, Sky, DAZN), major radio groups (BBC, Global Radio, Bauer Media), major smart metering customers (the DCC, Thames Water, Anglian Water, United Utilities, Affinity Water, Portsmouth Water) and long-term contracts for managed communications services to electricity and gas distribution networks including SGN.

These established long-term relationships demonstrate the importance of the Group's assets and infrastructure to its customers. Certainty over contract renewals is supported by limited viable alternatives, as well as the 'mission critical' nature of the services that the Group provides, leading to significant switching costs and operational risks for customers.

Within the Media and Broadcast business function, DTT transmission contracts are typically over 20 years in original duration with residual durations of 5-10 years as of 30 June 2024. While c.67% of overall contracted value is inflation linked, the Group's DTT transmission contracts benefit from additional protection from power inflation in form of straight pass through of direct power costs and otherwise set to deliver a stable rate of return relative to the underlying asset base. The PSBs have signed long-term agreements with the Group for DTT broadcast, given the Group's position as the only provider capable of meeting PSB coverage obligations and the PSB and DTT licences. As a result of these features of the contractual terms the Group benefits from a degree of long-term revenue visibility.

DTT Capacity contracts are typically two to five years in duration. Radio contracts within the Media and Broadcast business function are typically eight to 12 years in duration and are often inflation-linked. In addition, National DAB Radio services are supply constrained due to limited number of multiplexes (two), thus providing further stability to customer longevity on those platforms. Both D1 and the JV Sound Digital Limited are at capacity with 80% of that capacity on D1 contracted until 2035. In Managed Media Services, contracts are typically two to five years in duration, however come with lower capex intensity. Within SUN business function, smart metering contracts are typically between 15 – 20 years in duration, spanning initial deployment and subsequent operation, and inflation-linked.

| Established relationships with blue-chip customers | | | |
|---|---|---|---|
| **Business Segments** | **Customers** | **Avg. Contract Length[1]** | **Inflation Linkage** |
| **DTT Transmission** | BBC, ITV, Channel 4 | 20+ years | ✓ |
| **DTT Capacity** | Warner Bros. Discovery, Sky, UKTV, Channel 4, Narrative Entertainment | 2-5 years | Partial |

| | | | |
|---|---|---|---|
| **Radio Transmission & Capacity** | BBC, BAUER MEDIA GROUP, global | 8-12 years | ✓ |
| **MMS** | NBCUNIVERSAL, S4C, HEARST, WARNER BROS. DISCOVERY, itv | 2–5 years | Partial |
| **Smart Utilities Networks** | Data Communications Company, love every drop anglian water, Thames Water, United Utilities | 15-20 years | ✓ |

⬚ – Public Service Broadcasters

✓*Tick indicates inflation linkage is a typical feature of contracts in this division*

*High EBITDA margins and moderate capex requirements drive sustainable cashflows and strong cash conversion*

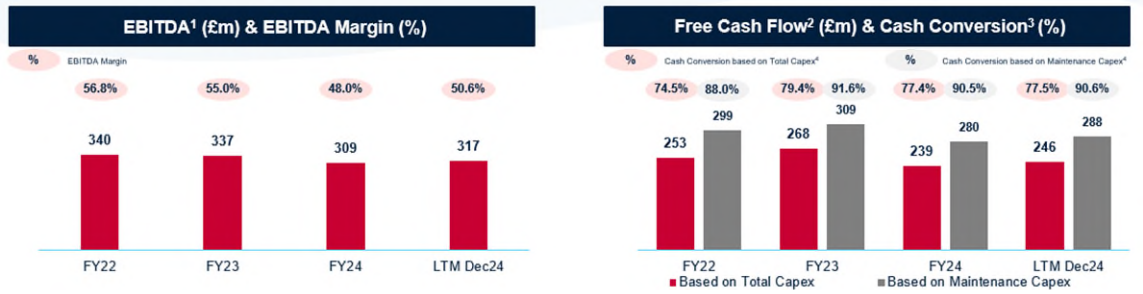
The Group operates a high EBITDA margin business of c. 50% and can convert its stable contracted revenues into cash, achieving sustained cash flow conversion throughout 2022 to 2024 of c. 75% or above, despite encountering spikes in power costs and increased inflation linked accretion payments, combined with a peak in its investment cycle over the same period.

The major expenditure requirements relating to the roll out of projects such as smart metering and the current phase of DAB roll-out projects are completed, significantly enhancing cash conversation. The Group also anticipates investment for the Sustainability Programme which would see the Group reaching its Net Zero target by 2040, with investment levels reducing afterwards.

The majority of the capital expenditures for the Group's smart metering contracts with the DCC have been completed, as the networks build was completed in 2020. In addition, the commercial terms of these contracts mostly allow for capital expenditures to be recovered when delivering change required by the DCC, and these change request payments commonly include pre-payment against delivery milestones.

In the water segment, growth capital investment will continue for the AMP8 (2025-2030) period, while the build and roll out of the new water contracts are completed, at which point capital investment is expected to decline.

All major capital expenditure programmes are directly linked to contracts in place, keeping speculative capital expenditure to a minimum. The Group has achieved tight control over its maintenance capital expenditure, contributing to Cash Conversion on an EBITDA less maintenance capital expenditure basis of approximately 90% over recent years, and 75% or higher on an EBITDA less maintenance and growth capital expenditure basis (see chart below).




The Group's underlying business and long-term nature of its contracts as well as its cash earnings track record is evidenced by the Group's investment grade rating at the senior level.

In 2023, the Group completed a c. £100 million 4-year company-wide programme, aiming at replacing and upgrading all of the Group's core IT platforms and establishing new processes across the business to deliver efficiencies using the new toolsets. The Group is currently in the process of completing a restructure of the Technology function. The Technology restructure has involved establishing a new technology leadership function, recruiting industry SMEs to build new technology capabilities. This includes new data and insight function, revised architecture function, combining software and physical engineering functions and repositioning product function from being technology led to customer and product led. Ways of working have also evolved, reconfigurating delivery teams from legacy programme management following linear waterfall project management methodologies to establishing a new enablement function, arranged around multi-function product focused delivery teams, adopting agile delivery methodologies. Part of the restructure includes a rebalance of technical capability, enhancing software engineering and cloud-based delivery. The Group believes this programme, aimed at achieving efficiencies and enhancing new product development capability, will help support margins against the existing macroeconomic backdrop and continue to result in improvements in the efficiency of Group operations and further headcount efficiencies.

*Experienced management team and workforce partnered with a supportive shareholder base comprised of key experienced infrastructure players*

The Junior Group is managed by a highly experienced senior management team with a breadth of Telecoms and Media experience including tenures at BT, Cable & Wireless, Vodafone, Virgin Media O2, ICG, ITV, The Walt Disney Company, Yorkshire Electricity and DAZN. The Junior Group's divisional heads have an average of 30 years' industry experience and a proven track record in their respective areas. The Junior Group also benefits from a highly talented workforce with approximately 675 skilled individuals in the Engineering and IT Job Families. Further, management have brought significant operating experience to the Junior Group, focusing on driving growth and margin improvement through transformation programmes focusing on efficiency and most recently deploying a new technology and product delivery model (Tech24).

The Group's shareholder base includes support from Macquarie Asset Management, InfraRed (D9 investment manager) Communications & Digital infrastructure - InfraRed Capital Partners and IFM Investors. All have deep experience of managing infrastructure assets and portfolios, providing direct sector expertise to the Board through their appointed shareholder representatives.

*Performance against financial covenants*

The Borrower has covenanted to provide certain publicly available information with relation to its performance against financial covenants. In its most recent Compliance Certificate dated 25 February 2025, the Borrower reported being compliant with the relevant financial covenants in the Common Terms Agreement. Please see further details in the Compliance Certificate dated 25 February 2025 available on the Borrower's website at https://www.arqiva.com/about/financial-reporting/credit-investors/. This information on this website does not form part of this Offering Memorandum.

***Business strategies***

The Group's strategy, which is also referred to as Vision 2031, was launched in 2020 following the mobile towers business sale. Vision 2031 sought to build upon the foundations of the business areas that existed at the time, whilst seeking other areas to which the Group could apply its resources and capabilities.

The key components of the Group's strategy are as follows:

*Media and Broadcast – Leading provider of UK TV and radio broadcast and transition global media to cloud solutions*

The Group's DTT platform and radio networks are the UK's leading platforms for delivery of TV and radio in the UK. The Group works closely with customers, industry bodies, regulators and Government which influence the strategy, product development, licensing arrangement and policy perspective of the networks. The Group's strategy is to reinforce DTT's long-term position as one of the most popular TV platforms in the UK by continuing to support the development of the hybrid DTT/IPTV platform (which can be accessed through DTT sets capable of connecting to the internet or through a set top box), which is expanding the range of catch-up services available as well as serving the needs of a pay-lite audience base. The Group is actively engaging with Government and policy makers to push for longer-term certainty and support for DTT, including through engagement with the current DCMS ministerial-led TV Distribution forum and through the Group's role within the Broadast2040+ coalition, a collection of over 30 organisations including Digital Poverty Alliance, Age UK, Silver Voices and the Voice of the Listener and Viewer, with an interest in seeing very long-term policy support for DTT.

The Group's radio networks are used by approximately 35 million adults each week (broadcast platforms deliver around 70% of overall radio listening) (Source: RAJAR). Where the Group is the licensed DAB multiplex operator, the Group intends to continue to assess options to expand the coverage of its networks as well as the range of channels available to give listeners the best possible DAB experience. The Group intends to support its customers and the industry by continuing to develop digital DAB radio as an attractive medium for listeners and planning for the expected eventual phase-out of analogue radio, rolling out DAB to fill the remaining coverage gaps, and positioning DAB as the default network for future broadcast services. The Group expects that it would be able to reduce its costs following any eventual Digital Radio Switchover ("**DRS**"), given that DAB transmission equipment is more reliable than analogue and will require fewer maintenance visits, and that DAB transmission also uses less power than analogue.

The Group plans to continue to improve operational efficiency and service excellence within the Managed Media Services segment and intends to take advantage of international growth opportunities served by its UK infrastructure, entrenched relationships with UK and global media customers and virtualised capabilities. The Group aims to help broadcasters and rightsholders navigate and exploit the trends underlying the video market, including "hybrid" consumer behaviour, increasing operational complexity and the need for operational and commercial flexibility, by continuing to invest in solutions for content acquisition, processing, and distribution (including managed IP and OTT services). The Group has expanded its global media management services and distribution capabilities through the launch of new IP and cloud-based products including Arqplex (Headend solution), Arqade (global cloud-based content interchange), Arqedge (Streaming Optimisation), Arqads (Smart advertising on DTT and UK DTH platforms), cloud-based playout and Audio Streaming and podcasting solutions. The Group's expertise as a managed service provider, developed over many years of operating and managing transmission and multiplexing platforms, strongly position it to differentiate its global media service offering with a managed service wrap. The Group consistently continues to focus on providing high levels of operational efficiency and service excellence.

*SUN – UK's leading smart utilities platform*

In SUN, the Group has plans to leverage its existing and expanding capabilities in smart metering. The Group has a long-term contract with the DCC and is engaged in discussions to agree an extension to this service. In the Water segment, the focus is on leveraging the Group's experience and broad solution offering to capture share of contracts for the next regulatory cycle and the regulatory cycles beyond.

The Group's solution capability has expanded to include LoRaWAN technology, being used to support smart meter solutions for Affinity Water and NB-IoT technology, which is offered as an "in fill" capability for smart meter programmes where it is not appropriate to deploy new network. The Group's flagship solution for smart metering continues to be its FlexNet solution which leverages its private spectrum and consistently outperforms the Ofwat market thresholds for meter reads. The Group is also increasingly focused on layering services onto and around the smart meter solutions it is delivering, for example United Utilities have awarded us a contract that includes the Group managing the installation programme on their behalf.

*Developing new Media and Broadcast and SUN products*

The need to deliver content across multiple networks – from Digital Terrestrial Television (DTT), Mobile and Broadband – to multiple devices, running multiple technologies and resolutions is creating more complex platforms than ever before. Media and Broadcast is diversifying its services by directly tackling the challenges faced by broadcasters, content owners and platform operators by investing in cloud and IP technologies to provide new services to support their global distribution strategies, reducing the complexity and cost of managing content delivery. Arqade is a cloud-based self-service content exchange which addresses this opportunity, enabling content owners, channels, and sports rights owners to distribute their content widely in a cost-efficient manner. Pay TV platform owners globally are seeing opportunities in aggregating broadcast channels and OTT streaming services on their platforms, this requires a service which helps provide necessary encoding and compression for both linear channels and OTT. Media and Broadcast is well placed to address this, with Arqplex adding a cloud-based headend as a service, in addition to on-prem capability, to new TV distribution platforms in global geographies. The Group has also developed Arqads, a product which enables smart advertising to be delivered on both DTH and DTT channels, enabling broadcast customers to open new revenue streams and competing for digital advertising budgets. The Group has also recently launched a new Streaming Optimisation product, Arqedge, leveraging peer-to-peer networks to offload traffic from Content Delivery Networks (CDNs) in response to customers' need to deliver significant cost savings whilst operating two businesses: Linear and OTT. Following the launch of Arqedge, the Group announced a partnership with System73 in 2024 to deliver CDN optimisation services. Additionally, the Radio business has recently launched a new audio streaming and podcast service to help broadcasters reach their global online audiences more effectively.

In the Utilities segment, UK utility companies are needing to respond to increased levels of regulatory, legislative and operational scrutiny, alongside heightened public pressure and concern. In the Water segment, alongside smart metering, the Group is focused on adjacent solution offerings, including connected sensors necessary to operate efficient and compliant water and waste networks. It currently has a small number of sewer level monitors deployed and will shortly be running a proof of concept for chlorine sensors. As a provider of both smart metering and connected sensors, the Group expects to be collecting data from millions of connected devices presenting the opportunity to develop data and insights products of value to customers and industry stakeholders.

In the Energy segment, electricity and gas distribution network operators will need to invest in the digitisation of their networks to support greater operational control, connectivity resilience and reduce overall operational costs. These and other drivers are reflected in the forthcoming RIIO 3 settlement for the electricity distributors in 2028. Further, the PSTN switch-off and the sunsetting of 2G and 3G services from the mobile operators will require these network operators to review their existing communications

solutions and providers. The Group's flagship customer in this segment, SGN, is working with the Group to roll out a new highly secure and resilient connectivity solution to many of its operational sites.

*Simplify and standardise business to optimise operational costs and efficiency*

The Group intends to maintain its focus on delivering comprehensive cost transformation, building on its progress since the sale of the Telecoms business in 2020 and driving efficiencies and operational excellence across the organisation. The cost savings programme is largely underpinned by detailed execution programmes and headcount efficiencies are expected to be realised as a part of increased organisational capability in applied strategic and operational workforce planning, focused organisational design review and further modernisation and digitisation of the workplace which has already seen a number of key corporate and operational systems moved into the cloud. Delivery of savings is overseen by the value management office of the "enablement delivery" team within the Technology function.

In addition, the Group may from time to time undertake disposals of assets in line with its strategy to exit sub-scale businesses and focus on core offerings.

*Maintain a stable long term capital structure*

The Group has deleveraged significantly since 2012. Senior Historic Net Debt to EBITDA Ratio has been reduced from 5.6x to 3.1x between 31 December 2012 and 31 December 2024, and the Historic Net Debt to EBITDA Ratio has been reduced from 7.0x to 4.4x over the same period. Considerable further deleveraging is expected by 2030 under the current structure, enabled by contracted amortisation at the Senior Financing level. This reduction in leverage reflects the decision by shareholders to prioritise re investing in the Group over making distributions and significant deleveraging the Group has been undertaking after disposing of its Telecoms business. For example, the Group has successfully completed several major capital programmes over the past few years, including smart metering and DAB roll out, which are now generating significant recurring cashflows. Shareholders have not taken any distributions over this period. Once the new networks have been built, the level of capital expenditure investment is expected to fall over the coming years and shareholders may consider regular distributions consistent with maintaining a stable long-term capital structure and investment grade senior debt ratings.

## Recent Developments

The items set out below under the heading "*Recent Developments"* represent recent developments in the Group's business in the quarter ending 31 March 2025, unless another date is specified.

Management have reviewed the Projected EBITDA against latest information being ten months actuals and two months forecasts and the Projected EBITDA remains unchanged from the Projected EBITDA published on 18 September 2024.

*Media Distribution*

DTT Multiplexes

DTT platform capacity utilisation remained at over 99% during the last complete financial year period ending June 2024. The Group are in discussions with a number of large customers to extend contracts to the early 2030s, with two having concluded in April 2025, covering 5 channels on the platform.

Radio

Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("**D1**") multiplex capacity being contracted until 2035. The second national multiplex also has a significant number of contracts secured until its current licence end date of 2028.

The network of local DAB multiplexes experienced an average of 83% occupation with significant contracts secured to 2030. AM site disposals continue with the talkSPORT network shutting down a further 7 transmitters as forecasted. FM renewals have continued, securing a number of contracts out to 2030.

Direct to Home (DTH)

The DTH platform remains close to full capacity, supported by renewals secured to 2029 with a number of key customers.

Media Management Products

The Group has secured a contract to migrate Hearst Networks to cloud-based Video on Demand ("**VOD**") platform. Delivering VOD assets across 40+ Pay TV and OTT platforms across EMEA from mid-2025.

Arqplex, the Group's on premise and cloud multiplexing deployment, is in service, supporting multiple PSB and global customers to deliver their content to millions of people in the UK and internationally.

Arqade, the Group's cloud-based video content exchange product enables media companies to interchange their content with multiple platforms efficiently across the world. The Group currently deliver all feeds for a large global media company outside the Americas via Arqade as well as deployments for many other global media groups. The Group now has over 700 channels accessible within the Arqade platform.

Arqads, the Group's product which enables smart advertising to be delivered on both DTH and DTT channels, facilitates targeted ad insertion into television channels, enhancing the precision and relevance of television advertising to boost revenue generation. The Arqads product enables new customer services for Sky AdSmart, by hosting a portfolio of channels supporting two major media organisations to monetise their channels more effectively on the Sky Platform. Product features are in development to support targeted advertising on the Freeview TV platform, and are targeted to launch mid-2025.

Position, Navigation and Timing (PNT) services (eLoran)

In November 2024, the Group announced a partnership with Hellen Systems to develop a commercial eLoran service in the UK. eLoran is a sovereign, independent, resilient terrestrial radio navigation system, providing an alternative to the existing global PNT services.

*Smart Utilities Networks*

DCC

The Group continues to deliver the network providing coverage to premises in the North of England and Scotland regions, under the existing contract. Positive discussions are being held in relation to the DCC contract position in 2028.

Anglian Water

Since the award of the Anglian Water contract in June 2020, the Group has deployed 1.1 million meters during the 2020-2025 regulatory period. The Group's performance to date has resulted in Anglian Water awarding the Group a contract to roll out an additional 1.1 million meters with associated network, covering their AMP8 regulatory period (2025-2030) roll out plans. The contract will operate for 20 years from the start of the rollout. Anglian Water has also increased its focus on adding sensors to the network with both sewer level and chlorine sensors being developed for trial this year. Six Network AMP8 sites have been delivered up to the end of March 2025.

United Utilities

In December 2024, United Utilities awarded the Group a contract of at least 15 years to provide 1.1 million meters in support of their AMP8 smart meter rollout programme. The Group is the prime contractor in a new-to-market configuration providing the communication network, meters and consumer side installation services. The network deployed will cover the majority of the United Utilities region in the Northwest of England and will offer the potential of a further growth opportunity of 2 million meters during AMP9 (2030-2035) and AMP10 (2035-2040). Four Network sites have been delivered up to the end of March 2025.

Affinity Water

In December 2024, the Group signed a 15-year contract with Affinity Water, to provide 0.4 million meters in support of their AMP8 smart meter rollout programme. The Group will provide the communications network, managed service and meters. Affinity Water's overall programme for smart meters is 1.2 million which will offer the potential for new growth opportunities during AMP9 and AMP10. 76 LoraWan Gateways and more than 20,000 meters have been installed to the end of March 2025.

Thames Water

Since April 2015, the Group has delivered a smart metering network for Thames Water and in January 2025 achieved delivery of over 1.2 million meters. This is the largest smart water metering network in the UK and has high coverage across the Thames Water London region.

Portsmouth Water

In February 2025, the Group has signed a 20-year contract with Portsmouth Water (consisting of 8 years' delivery and 12 additional years providing support service) to install 326,568 total meters (157,900 in AMP8 and 168,668 in AMP9) in support of their AMP8 smart meter programme, the Group will provide the communications network, managed service and meters. In the period to March 2025, one mast and 520 meters have been installed.

SGN Hybrid Connectivity

Since the original 5-year contract was awarded by SGN in 2024 to the Group to provide connectivity solutions for 230 of their sites, the Group expanded this contract in November 2024 to serve an additional 174 sites over the 5-year period.

## Summary Historical Consolidated Financial and Other Information - Arqiva Broadcast Parent Limited

*The following tables present Arqiva Broadcast Parent Limited's consolidated financial information. The following consolidated financial information should be read in conjunction with the Financial Statements, and notes included therein and the sections entitled "Presentation of Financial and Other Information", "Use of Proceeds and Refinancing Mechanics", "Capitalisation" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".*

*The summary financial information provided below was extracted from Arqiva Broadcast Parent Limited's Financial Statements, prepared in accordance with UK IFRS and presented in pounds sterling. The information below is not necessarily indicative of the results of future operations. Each of the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial years ended 30 June 2024, 2023 and 2022 have not been restated to reflect the restatement of historical financial information described under section "Presentation of Financial and Other Information—Restatement" above.*

The financial data below also includes certain non-IFRS measures used to evaluate the Junior Group's economic and financial performance. These measures are not identified as accounting measures under UK IFRS and therefore should not be considered as alternative measures to evaluate the Junior Group's performance. See "*Presentation of Financial and Other Information—Alternative Performance Measures*".

### *Consolidated Income Statement*

| | **Six-month period to 31 December *(unaudited)*** | | **Year Ended 30 June** | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated**[3] | **Restated**[3] | | **Restated**[3] | **Restated**[4] |
| | | | *(£ millions)* | | |
| Revenue[1] | 305.4 | 324.1 | 645.2 | 613.3 | 598.2 |
| Cost of sales | (102.7) | (123.8) | (230.5) | (195.4) | (178.9) |
| **Gross profit** | 202.7 | 200.3 | 414.7 | 417.9 | 419.3 |
| Depreciation | (54.2) | (58.0) | (88.3) | (91.7) | (158.4) |
| Amortisation | (6.2) | (7.8) | (19.7) | (12.9) | (13.2) |
| Other operating expenses | (48.2) | (53.7) | (108.1) | (96.7) | (89.2) |
| Exceptional operating expenses and impairment | (1.9) | (1.8) | (7.9) | (133.5) | (29.6) |
| Total operating expenses | (110.5) | (121.3) | (224.0) | (334.8) | (290.4) |
| Other income | 3.9 | 3.9 | 9.9 | 7.8 | 7.7 |
| Exceptional other income | — | 16.0 | 16.0 | 20.0 | 5.0 |
| **Operating profit** | 96.1 | 98.9 | 216.6 | 110.9 | 141.6 |
| Finance income | 0.9 | 2.5 | 4.8 | 4.1 | 2.5 |
| Finance costs | (171.0) | (158.0) | (324.9) | (299.9) | (279.6) |
| Other gains and losses[2] | 5.8 | (8.1) | (10.6) | (28.2) | (77.6) |
| **Loss before tax** | **(68.2)** | **(64.7)** | **(114.1)** | **(213.1)** | **(213.1)** |
| Tax | (9.0) | (11.6) | 10.6 | 15.1 | 40.0 |
| **Loss for the year** | **(77.2)** | **(76.3)** | **(103.5)** | **(198.0)** | **(173.1)** |

Notes:

(1) Including exceptional service credits.

(2) Including exceptional other gains and losses.

(3) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

(4) Previously disclosed in annual Consolidated Financial Statements to 30 June 2023, note 12; restated to reflect a reclassification between the consolidated income statement and the consolidated statement of changes in equity.

### *Consolidated Statement of Financial Position*

| | As at 31 December | | As at 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated**[1] | **Restated**[1] | **Restated**[1] | **Restated**[1] | |
| | | | *(£ millions)* | | |
| **Non-current assets** | | | | | |
| Goodwill | 1,340.2 | 1,340.2 | 1,340.2 | 1,340.2 | 1,458.0 |
| Other intangible assets | 73.0 | 66.8 | 74.8 | 55.7 | 36.4 |
| Property, plant and equipment | 1,170.2 | 1,196.7 | 1,182.4 | 1,231.1 | 1,301.1 |
| Deferred tax | 213.3 | 188.4 | 222.8 | 199.8 | 188.2 |
| Retirement benefits | 10.2 | 50.8 | 9.3 | 51.2 | 61.0 |
| Interest in associates and joint ventures | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Derivative financial instruments | 12.1 | 21.7 | 14.7 | 31.5 | 31.9 |
| | 2,819.3 | 2,864.7 | 2,844.3 | 2,909.6 | 3,076.7 |
| **Current assets** | | | | | |
| Trade and other receivables | 132.1 | 112.7 | 111.8 | 118.5 | 110.2 |
| Contract assets | 6.1 | 11.8 | 6.9 | 9.3 | 13.0 |
| Cash and cash equivalents - unrestricted | 9.4 | 21.1 | 13.8 | 36.3 | 243.8 |
| Cash and cash equivalents - restricted | 7.4 | - | 7.0 | - | - |
| | 155.0 | 145.6 | 139.5 | 164.1 | 367.0 |
| **Total assets** | 2,974.3 | 3,010.3 | 2,983.8 | 3,073.7 | 3,443.7 |
| **Current liabilities** | | | | | |
| Trade and other payables | (1,973.7) | (1,789.7) | (1,912.4) | (1,719.3) | (1,601.9) |
| Corporate tax | - | - | - | - | (2.4) |
| Contract liabilities | (102.0) | (118.4) | (90.0) | (116.0) | (101.1) |
| Borrowings | (133.8) | (67.3) | (88.1) | (354.4) | (114.6) |
| Provisions | (3.6) | (3.2) | (3.7) | (3.3) | (3.9) |
| | **(2,213.1)** | **(1,978.6)** | **(2,094.2)** | **(2,193.0)** | **(1,823.9)** |
| **Net current liabilities** | **(2,058.0)** | **(1,833.0)** | **(1,954.7)** | **(2,028.9)** | **(1,456.9)** |
| **Non-current liabilities** | | | | | |
| Contract liabilities | (271.6) | (286.8) | (291.5) | (304.0) | (338.5) |
| Borrowings | (1,381.4) | (1,455.3) | (1,426.6) | (1,227.9) | (1,651.5) |
| Derivative financial instruments | (169.1) | (236.9) | (178.2) | (237.7) | (345.5) |
| Non-current provisions | (86.4) | (76.1) | (77.6) | (77.7) | (83.0) |
| | (1,908.5) | (2,055.1) | (1,973.9) | (1,847.3) | (2,418.5) |

| | As at 31 December | | As at 30 June | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | Restated[1] | Restated[1] | Restated[1] | Restated[1] | |
| | | | *(£ millions)* | | |
| **Total liabilities** | (4,121.6) | (4,033.7) | (4,068.1) | (4,040.3) | (4,242.4) |
| **Net liabilities** | (1,147.3) | (1,023.4) | (1,084.3) | (966.6) | (798.7) |
| **Equity** | | | | | |
| Share capital | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Accumulated losses | (1,265.7) | (1,125.6) | (1,188.7) | (1,051.8) | (844.3) |
| Merger reserve | (188.5) | (188.5) | (188.5) | (188.5) | (188.5) |
| Capital contribution reserve | 305.3 | 289.3 | 291.5 | 272.4 | 233.1 |
| Translation reserve | (0.6) | (0.6) | (0.6) | (0.6) | (0.7) |
| Total equity attributable to owners of the Parent | (1,149.4) | (1,025.3) | (1,086.2) | (968.4) | (800.3) |
| Non-controlling interest | 2.1 | 1.9 | 1.9 | 1.8 | 1.6 |
| **Total equity** | (1,147.3) | (1,023.4) | (1,084.3) | (966.6) | (798.7) |

Notes:

(1) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

### *Consolidated Cash Flow Statement*

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | | | *(£ millions)* | | |
| **Net cash inflow from operating activities** | 94.0 | 123.7 | 283.0 | 277.4 | 336.1 |
| **Investing activities** | | | | | |
| Interest received | 0.7 | 1.2 | 2.4 | 2.0 | 0.8 |
| Purchase of tangible and intangible assets | (32.9) | (34.3) | (71.3) | (64.7) | (88.7) |
| Proceeds on disposal of tangible assets | — | — | 5.2 | 0.8 | — |
| Receipt of insurance stage payments | — | 16.0 | 16.0 | 20.0 | 5.0 |
| Non-refundable deposit on conditional sale | — | — | 0.2 | — | — |
| Purchase of Investments | (0.2) | — | — | — | — |
| **Net cashflow from investing activities** | (32.4) | (17.1) | (47.5) | (41.9) | (82.9) |
| **Financing activities** | | | | | |
| Raising of external borrowings | 26.0 | 250.0 | 250.0 | 545.3 | 34.0 |
| Repayment of external borrowings | (16.5) | (308.9) | (322.3) | (694.4) | (56.7) |
| Movement in borrowings | 9.5 | (58.9) | (72.3) | (149.1) | (22.7) |

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | | | *(£ millions)* | | |
| Repayment of capital element of finance lease rentals | (7.5) | (11.7) | (20.6) | (21.2) | (22.1) |
| Interest element of finance lease rentals | (2.1) | (2.4) | (4.4) | (5.4) | (6.7) |
| Interest paid | (65.5) | (46.0) | (107.3) | (100.5) | (94.1) |
| Cash settlement of principal accretion on inflation-linked swaps[(1)] | — | — | (53.4) | (146.9) | (90.0) |
| Debt issue costs and facility arrangement fees | — | (2.8) | (2.6) | (19.8) | (1.3) |
| Settlement on close out of inflation linked swaps | — | — | 9.7 | — | — |
| Dividends paid to non-controlling interest | — | — | (0.1) | (0.1) | — |
| **Net cashflow from financing activities** | (65.6) | (121.8) | (251.0) | (442. 9) | (236.9) |
| **Increase/(decrease) in cash and cash equivalents** | **(4.0)** | **(15.2)** | **(15.5)** | **(207.5)** | **16.3** |
| **Cash and cash equivalents at the beginning of the financial period / financial year** | **20.8** | **36.3** | **36.3** | **243.8** | **227.5** |
| **Cash and cash equivalents at the end of the financial period / financial year** | **16.8** | **21.1** | **20.8** | **36.3** | **243.8** |

Notes:

(1) Relates to FY23 accretion prepayment.

### *Segmental Financial Data*

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated[(2)]** | **Restated[(2)]** | | | |
| | | | *(£ millions)* | | |
| **Media Distribution – Commercial** | | | | | |
| Revenue | 237.9 | 241.4 | 481.2 | 462.4 | 466.3 |
| EBITDA[(1)] | 166.2 | 163.4 | 341.3 | 352.3 | 343.0 |
| **Smart Utilities Networks – Commercial** | | | | | |
| Revenue | 67.5[(2)] | 82.7[(2)] | 164.0 | 150.9 | 131.9 |
| EBITDA[(1)] | 29.7 | 31.4 | 65.5 | 70.9 | 65.4 |
| **Operations** | | | | | |
| Revenue | — | — | — | — | — |
| EBITDA[(1)] | (11.9) | (12.8) | (25.0) | (23.3) | (25.3) |
| **Technology** | | | | | |
| Revenue | — | — | — | — | — |

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | Restated[2] | Restated[2] | | | |
| | | | *(£ millions)* | | |
| EBITDA[1] | (20.2) | (19.1) | (37.2) | (32.4) | (28.5) |
| **Corporate** | | | | | |
| Revenue | — | — | — | — | — |
| EBITDA[1] | (9.3) | (16.3)[2] | (35.2) | (30.3) | (14.8) |
| **Consolidated** | | | | | |
| Revenue | 305.4 | 324.1 | 645.2 | 613.3 | 598.2 |
| EBITDA[1] | 154.5 | 146.6 | 309.4 | 337.2 | 339.8 |

Notes:

(1) EBITDA figure excludes functional operational expenditure costs.

(2) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

### *EBITDA, operating cashflow and capital expenditure Financial Data*

| | Six-month period to 31 December | | Last twelve-month period to 31 December | Year Ended 30 June | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2024 | 2023 | 2022 |
| | | | *(£ millions, unless indicated otherwise)* | | | |
| EBITDA[1] | 154.5 | 146.6 | 317 | 309.4 | 337.2 | 339.8 |
| EBITDA Margin (%)[2] | 50.6% | 45.2% | | 48.0% | 55.0% | 56.8% |
| Net cash inflow from operating activities | 94.0 | 123.7 | | 283.0 | 277.4 | 336.1 |
| Maintenance capital expenditure[3] | 14.9 | 14.5 | | 29.4 | 28.2 | 40.7 |
| Growth capital expenditure – contracted[4] | 13.1 | 10.9 | | 24.0 | 23.3 | 31.1 |
| Growth capital expenditure – non-contracted[5] | 5.2 | 3.6 | | 10.7 | 1.1 | 0.4 |
| Bilsdale – Project Restore[6] | 1.2 | 3.9 | | 5.9 | 16.8 | 14.4 |
| *Pro forma* gross senior borrowings[7] | | | 1,025 | | | |
| *Pro forma* gross senior and junior borrowings[7][8] | | | 1,525 | | | |
| *Pro forma* cash and cash equivalents[7] | | | 42 | | | |
| *Pro forma* net senior and junior borrowings[7] | | | 1,483 | | | |
| Ratio of *pro forma* net senior and junior borrowings to EBITDA[7][9] | | | 4.7x | | | |

| | Six-month period to 31 December | | Last twelve-month period to 31 December | Year Ended 30 June | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2024 | 2023 | 2022 |
| | | | *(£ millions, unless indicated otherwise)* | | | |
| Ratio of *pro forma* net senior borrowings to EBITDA[7][10] | | | 3.1x | | | |

Notes:

(1) EBITDA is presented to aid understanding of the Junior Group's results of operations and financial condition. The Junior Group defines EBITDA as operating profit (taken from the Junior Group's consolidated income statement data) before depreciation and amortisation, impairment charges, exceptional administrative expenses and one-off items where the earnings or charges are not considered to be indicative of the Junior Group's on-going operations, e.g. profit or loss on the disposal of non-current assets, as well as certain other items.

EBITDA is a supplemental measure of financial performance that is not required by, nor presented in accordance with, UK IFRS. EBITDA is not a measure of performance under UK IFRS and investors should not consider EBITDA as an alternative to (a) operating profit or profit for the period (as determined in accordance with UK IFRS) as a measure of the Junior Group's operating performance, (b) cash flows from operating investing and financing activities as a measure to meet the Junior Group's cash needs or (c) any other measures of performance under UK IFRS or generally accepted accounting principles. Investors should exercise caution in comparing EBITDA as reported by the Junior Group to EBITDA of other companies.

EBITDA has been included in this Offering Memorandum because it is a measure that the Junior Group's management uses to assess the Junior Group's operating performance. Please see "*Presentation of Financial and Other Information— Alternative Performance Measures*" for information on the limitations of EBITDA as an analytical tool.

(2) EBITDA margin is defined as EBITDA divided by Junior Group revenue.

(3) The Junior Group defines maintenance capital expenditure as expenditure that is incurred to deliver cost-savings, productivity enhancements, to extend the useful life of existing non-current assets, or replace worn out and obsolete non-current assets with new ones in order to support existing contracts.

(4) The Junior Group defines growth capital expenditure – contracted as capital expenditure that is incurred to deliver new or renewal revenues and which is supported by a signed customer contract.

(5) The Junior Group defines growth capital expenditure – non-contracted as capital expenditure that is incurred to deliver revenues and which is supported by a business case but on which there is no signed customer contract at the time at which expenditure is incurred and reported.

(6) The Junior Group defines Bilsdale – Project Restore capital expenditure as capital works in relation to the Bilsdale transmitter site following the fire in August 2021.

(7) Adjusted to give *pro forma* effect to the offering of the Notes hereby and the use of proceeds.

(8) For High Yield incurrence covenant testing, debt balance to be adjusted to include swap accretion accrued balance (£19m as of Dec-24) and lease liability to include only finance lease balance (£13m as of Dec-24).

(9) Calculated using LTM December 2024 EBITDA of £317 million, which consists of EBITDA of £309 million for the year ended 30 June 2024, *less* EBITDA of £147 million for the six-month period ended 31 December 2023, *plus* EBITDA of £155 million for the six-month period ended 31 December 2024. See "*Presentation of Financial and Other Information—Alternative Performance Measures*".

(10) Calculated using LTM December 2024 EBITDA of £317 million, which consists of EBITDA of £309 million for the year ended 30 June 2024, *less* EBITDA of £147 million for the six-month period ended 31 December 2023, *plus* EBITDA of £155 million for the six-month period ended 31 December 2024. See "*Presentation of Financial and Other Information—Alternative Performance Measures*".

### *Reconciliation of EBITDA to operating profit*

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated**[1] | **Restated**[1] | | **Restated**[1] | |
| | | | *(£ millions)* | | |
| EBITDA | 154.5 | 146.6 | 309.4 | 337.2 | 339.8 |
| Depreciation | (54.2) | (58.0) | (88.3) | (91.7) | (158.4) |
| Amortisation | (6.2) | (7.8) | (19.7) | (12.9) | (13.2) |
| Loss on disposal of fixed assets | — | — | — | (0.7) | (2.1) |
| Exceptional items charged to operating profit (excluding impairment) | (1.9) | (1.8) | (7.9) | (6.7) | (29.1) |
| Impairment of assets (Exceptional item) | — | — | — | (9.0) | (0.5) |
| Goodwill impairment (Exceptional item) | — | — | — | (117.8) | — |
| Other income | 3.9 | 3.9 | 9.9 | 7.8 | 7.7 |
| Exceptional other income | — | 16.0 | 16.0 | 20.0 | 5.0 |
| Exceptional service credits | — | — | (2.8) | (15.3) | (7.6) |
| **Operating profit** | **96.1** | **98.9** | **216.6** | **110.9** | **141.6** |

Notes:

(1) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

### *Reconciliation of Operating Profit to Net cash inflow from operating activities*

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | Restated[1] | **Restated**[1] | | Restated[1] | |
| | | | *(£ millions)* | | |
| Operating Profit | 96.1 | 98.9 | 216.6 | 110.9 | 141.6 |
| Depreciation or property, plant and equipment | 54.2 | 58.0 | 88.3 | 91.7 | 158.4 |
| Amortisation of intangible assets | 6.2 | 7.8 | 19.7 | 12.9 | 13.2 |
| Exceptional loss on disposal of assets | — | — | — | — | 9.5 |
| Non-refundable deposit on conditional sale | — | — | (0.2) | — | — |
| Gain on leaseback of sold asset | — | — | (1.9) | — | — |
| Loss / (profit) on disposal of property, plant and equipment | (0.5) | — | (0.5) | 0.7 | 2.1 |
| Gain on lease modification | — | (0.1) | (1.0) | (1.6) | — |
| Other income | (3.9) | (3.9) | (8.0) | (7.8) | (7.7) |
| Revenue service credits | — | — | 2.8 | 15.3 | 7.6 |
| Receipt of insurance stage payments | — | (16.0) | (16.0) | (20.0) | (5.0) |
| Impairment of goodwill and assets | — | — | — | 126.8 | 0.5 |
| Contribution into the DB Pension scheme | (0.1) | — | — | — | — |

| | | | | | |
|---|---|---|---|---|---|
| Curtailments relating to the DB Pension Plan | — | — | — | — | 0.6 |
| Working capital movement | (58.0) | (21.0) | (16.8) | (51.6) | 15.3 |
| **Net cash inflow from operating activities** | **94.0** | **123.7** | **283.0** | **277.4** | **336.1** |

Notes:

(1) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

### *Financial Covenant Ratios and Senior Trigger Events*

| | Historic | | | | Projected[4] | | | |
|---|---|---|---|---|---|---|---|---|
| | 30 June 2022 | 30 June 2023 | 30 June 2024 | 31 December 2024 | 30 June 2025[1][3] | Trigger Threshold | Consequence of Trigger | Event of Default Threshold |
| Senior Historic Net Debt to EBITDA Ratio | 2.93x | 2.97x | 3.06x | 3.09x | 2.93x | 6.50x[2] | | 6.00x |
| Senior Historic Cashflow DSCR[5] | 2.76x | 2.92x | 2.49x | 3.13x | 2.48x | 1.30x | Distribution lock up | 1.05x |
| Senior Historic Cashflow ICR[6] | 5.76x | 5.56x | 4.17x | 4.63x | 4.29x | 2.00x | | 1.55x |
| Historic Net Debt to EBITDA Ratio | N/A | 4.30x | 4.51x | 4.44x | N/A | N/A | | N/A |

Notes:

(1) Calculated using Projected EBITDA which was estimated between £302 and £318 million for 30 June 2025.

(2) Whilst trigger threshold is at 6.50x, the Junior Group has entered a separate Limited Payment covenant at 5.00x which restricts distributions outside the Senior Financing Group.

(3) Projections calculated as at 18 September 2024. The management of the Junior Group have reviewed the Projected EBITDA against latest information being ten months actuals and two months forecasts and the Projected EBITDA remains unchanged from the Projected EBITDA published on 18 September 2024.

(4) See section "*Forward Looking Statements*".

(5) The Cashflow DSCR is calculated as the ratio of Cashflow to Debt Service as defined in the Common Terms Agreement

(6) The Cashflow ICR is calculated as the ratio of Cashflow to Net Interest Payable as defined in the Common Terms Agreement

### *Projected EBITDA*

The table below presents the Junior Group's Projected EBITDA for the financial year ended 30 June 2025. See "*Presentation of Financial and Other Information— Alternative Performance Measures*" and "*Forward Looking Statements*".

Projected EBITDA is based on management estimates, is not part of the Junior Group's consolidated financial information or financial accounting records and has not been audited or otherwise reviewed by independent auditors, consultants or experts. The Junior Group's use or computation of this metric may not be comparable to the use or computation of a similarly titled measures reported by other companies in the broadcast, media or communications industry. Projected EBITDA should not be considered in isolation or as an alternative measure of performance. This metric is forward looking information that is subject to significant risks and uncertainties that could cause the actual results and financial position of the Junior Group to differ materially. Investors are cautioned to not place undue reliance on such forecast data. See "*Forward Looking Statements*".

The prospective financial information included in this Offering Memorandum has been prepared by, and is the responsibility of management. PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the accompanying prospective financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any form of assurance with respect thereto. The PricewaterhouseCoopers LLP reports incorporated by reference to this document relates to the Group's previously issued financial statements. It does not extend to the prospective financial information and should not be read to do so.

The Junior Group and its management believe that unaudited Projected EBITDA has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Junior Group's expected course of action. The Junior Group and its management believe that the Junior Group is on track to meet the Projected EBITDA figure as set out in this Offering Memorandum. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

For details regarding the assumptions made in respect of the prospective financial information below, see "*Presentation of Financial and Other Information – Projected EBITDA*".

| | **Year ended 30 June 2025** |
|---|---|
| | *(£ millions)* |
| Projected EBITDA..... | 302 to 318 |

**Transaction Overview**

In conjunction with the offering of the Notes hereby, the Junior Group is, amongst other, refinancing the Issuer's outstanding £450,000,000 senior facilities agreement (the "**Junior Facility Agreement**") and related close-out of interest rate swaps used to hedge the interest rate exposures under the Junior Facility Agreement (the "**Existing Junior Debt**"). See "*Use of Proceeds and Refinancing Mechanics*".

***The Notes***

The Notes will be issued by Arqiva Broadcast Finance plc (the "**Issuer**"), a sister company of Arqiva Financing No 2 Limited ("**AF No 2**" and the "**Intermediate Guarantor**") pursuant to a trust deed (the "**Note Trust Deed**") and guaranteed by the Intermediate Guarantor and the holding company of the Issuer and the Intermediate Guarantor named Arqiva Broadcast Parent Limited (the "**Parent Guarantor**") and Arqiva Broadcast Intermediate Limited ("**Intermediate HoldCo**" and, together with the Intermediate Guarantor and the Parent Guarantor, the "**Guarantors**" and the Guarantors together with the Issuer, the "**Obligors**").

The Notes will be structurally subordinated to the Senior Financing discussed in "*Overview of Senior Financing and Shareholder Financing*". As such, the only cash available to service the Notes and any further indebtedness of the Obligors (other than Subordinated Debt) (together the "**Junior Debt**") will be permitted distributions by the Senior Financing Group to Intermediate HoldCo and distributions by Intermediate HoldCo to the other Obligors. See "*Risk Factors—The Issuer and the Guarantors are special purpose vehicles and have limited assets and limited ability to generate revenue and will depend on their subsidiaries and affiliates to provide them with funds to meet the Issuer's obligations under the Notes*".

***The Intercompany Loans and Use of Proceeds***

The proceeds of the Notes will be on lent by the Issuer to AF No 2 under an intercompany loan agreement between them (the "**Intercompany Loan Agreement**" and the loans by the Issuer (in its capacity as Intercompany Lender) to AF No 2 (in its capacity as Intercompany Borrower thereunder), the

"**Intercompany Loans**"). AF No 2 will use the proceeds of the Intercompany Loans to repay in full (together with the close-out amounts of £5.5 million) the Existing Junior Debt. See "*Use of Proceeds and Refinancing Mechanics*".

***The Obligors***

The Obligors are non-operating holding companies with no material, direct business operations. The principal assets of the Guarantors are the equity interests they directly or indirectly hold in companies in the Senior Financing Group. As a result, the Guarantors are dependent on loans, interest, dividends and other payments from their Subsidiaries (mostly the main operating companies in the Group, such as Arqiva Limited and Arqiva Services Limited) to generate the funds necessary to meet their financial obligations, including, in the case of the Intermediate Guarantor, the repayment of any Intercompany Loans.

***Transaction Security***

The Noteholders and any other Secured Creditors will share the benefit of a common security package (the "**Transaction Security**") granted by the Obligors pursuant to a security agreement in favour of the Security Trustee (the "**Security Agreement**"). As part of the Transaction Security, each of the Issuer and the Guarantors will grant first ranking fixed and floating charges over, among others, all moneys standing to the credit of their respective bank accounts and shares held by such Obligor (including, in the case of the Parent Guarantor, the shares held by it in each of AF No 2 and the Issuer, in the case of the Intermediate Guarantor, the shares held by it in Intermediate HoldCo and, in the case of Intermediate Holdco, the shares held by it in the Senior Parent), together with a floating charge over all (or substantially all) of their respective assets, in support of their obligations under the Guarantees (with respect to the Guarantors) and the Notes (with respect to the Issuer) (subject to the conditions and processes set out in "*Use of Proceeds and Refinancing Mechanics*" and the Risk Factor entitled "*The Notes will be temporarily unsecured due to the refinancing mechanics*").

***Accounts***

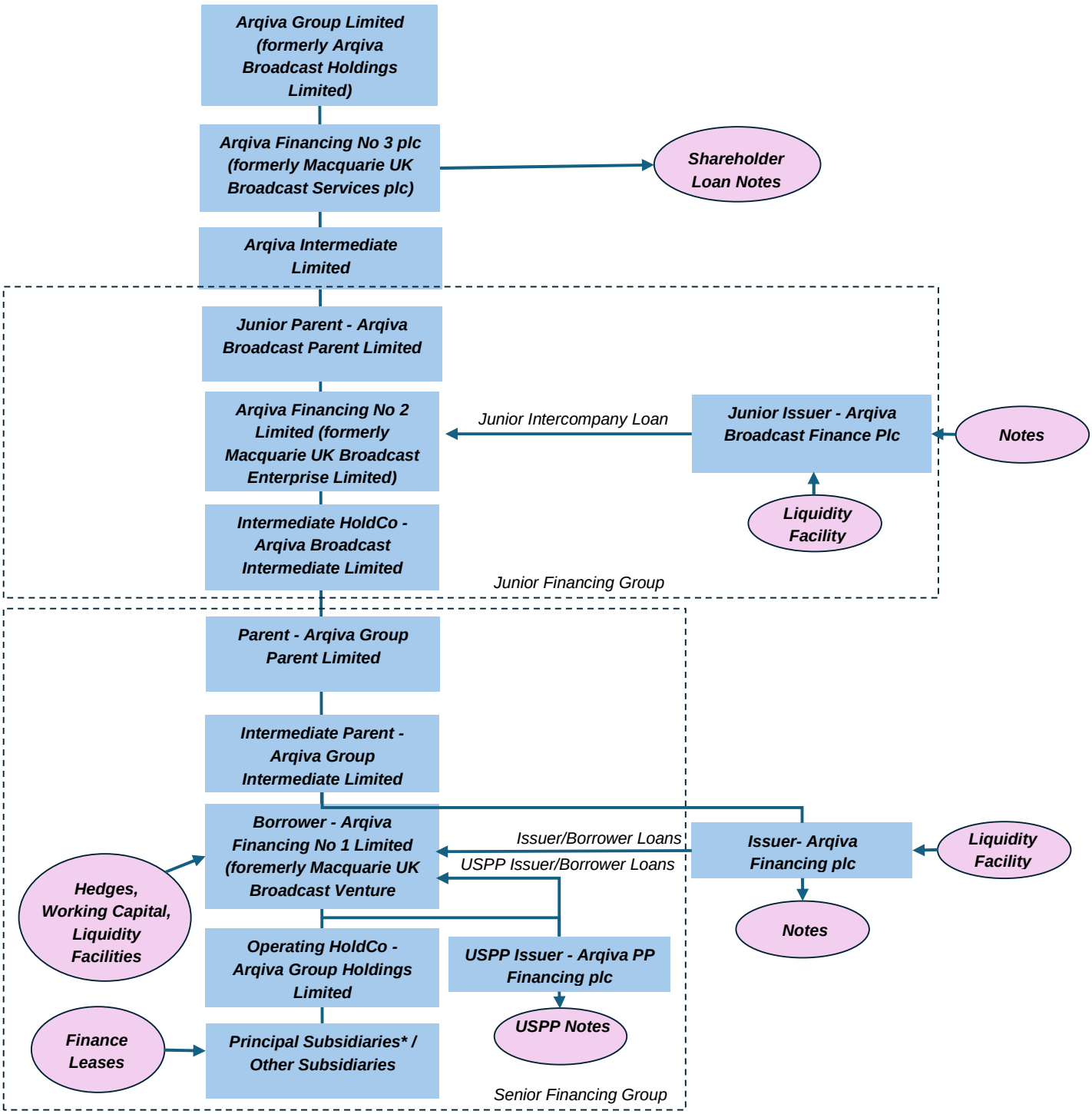
The Transaction Security includes the granting of first ranking fixed and floating charges over, among others, all moneys standing to the credit of the respective bank accounts held by each of the Issuer and the Guarantors (the "**Accounts**"). The Accounts are held with HSBC Bank plc.

HSBC Bank plc and its subsidiaries form a group providing a range of banking products and services. HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. As at the date of this Offering Memorandum, the HSBC Group serves over 41 million customers worldwide across 58 countries and territories. With assets of USD3.0 trillion (31 December 2024), HSBC is one of the world's largest banking and financial services organisations.

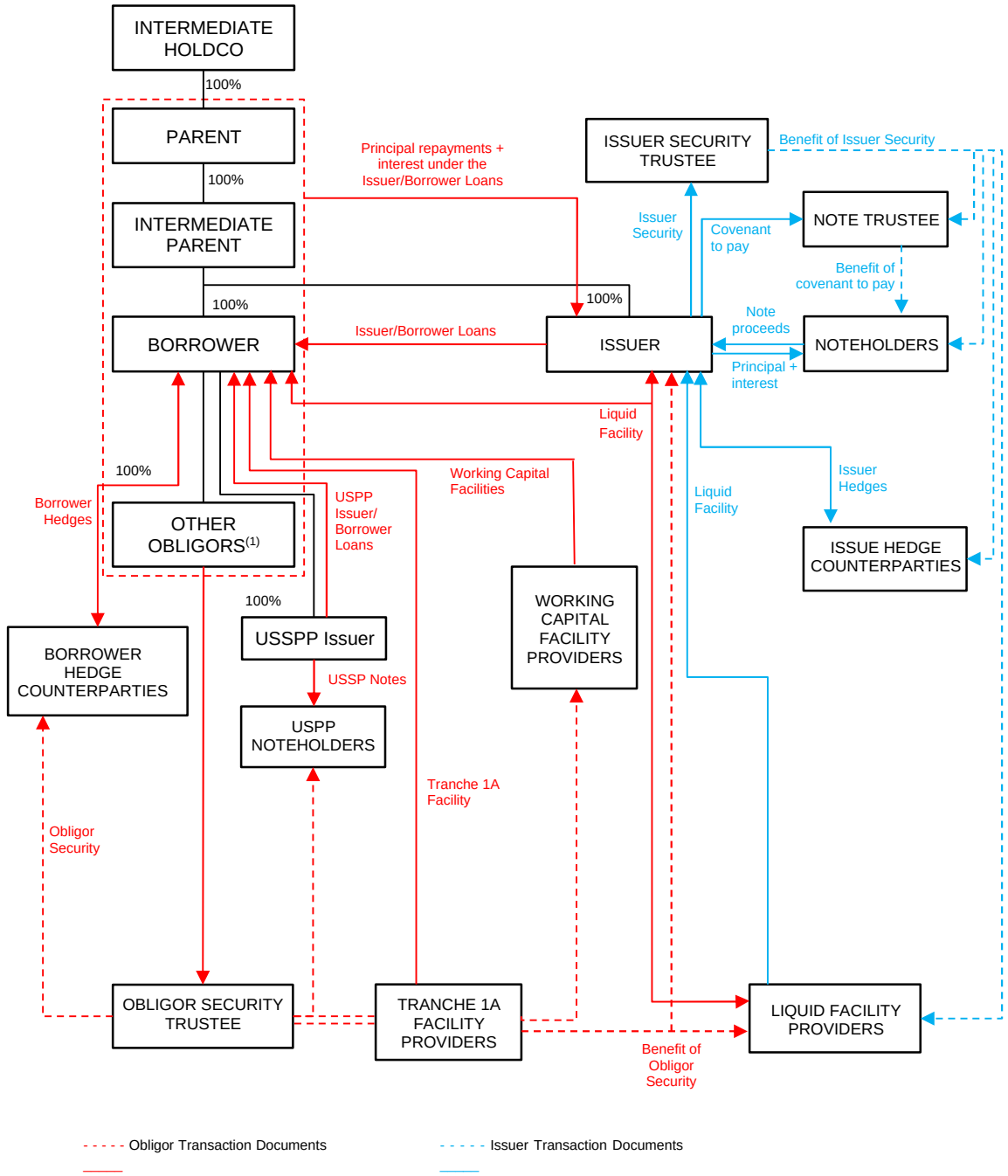
The short term senior unsecured and unguaranteed obligations of HSBC Bank plc are, as at the date of this Offering Memorandum, rated P-1 by Moody's and A-1 by Standard & Poor's and HSBC Bank plc has a short term issuer default rating of F1+ from Fitch. The long term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated A1 by Moody's and A+ by Standard & Poor's and HSBC Bank plc has a long term issuer default rating of AA- from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ.

## SUMMARY STRUCTURE DIAGRAM

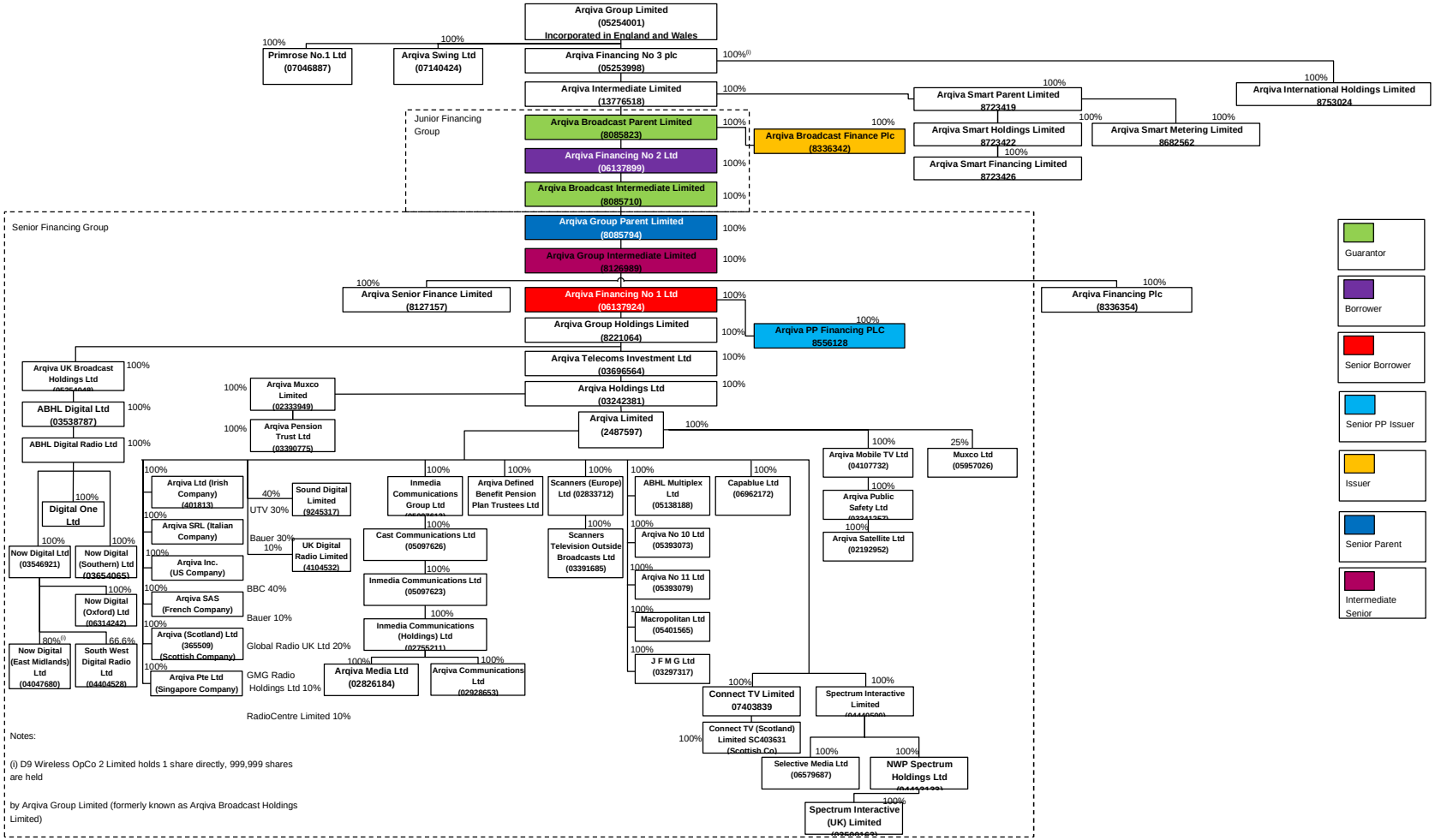


## SENIOR FINANCING STRUCTURE DIAGRAM




(1) Other Obligors are: Arqiva Group Intermediate Limited; Arqiva Group Parent Limited; Arqiva Financing No 1 Limited; Arqiva Group Holdings Limited; Arqiva UK Broadcast Holdings Limited; ABHL Digital Limited; Arqiva Telecoms Investment Limited; Arqiva Holdings Ltd; Arqiva Limited; and Arqiva Muxco Limited.

# CORPORATE STRUCTURE DIAGRAM FOR THE GROUP




Notes:

(i) D9 Wireless OpCo 2 Limited holds 1 share directly, 999,999 shares are held

by Arqiva Group Limited (formerly known as Arqiva Broadcast Holdings Limited)

## THE OFFERING

*The following is a brief summary of certain terms of the offering of the Notes hereby. It may not contain all the information that is important to the Noteholders. For additional information regarding the Notes and the Guarantees, see "Terms and Conditions" and "Summary of the Transaction Documents—Note Trust Deed". The meaning of the defined terms which are contained in this section but not defined herein can be found by referring to the Index of Defined Terms on page 396.*

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| **Issuer:** | Arqiva Broadcast Finance plc, a public limited company incorporated under the laws of England and Wales and resident for tax purposes in the United Kingdom. The Issuer is a wholly owned subsidiary of the Parent Guarantor. |
| **Parent Guarantor:** | Arqiva Broadcast Parent Limited, a private limited company incorporated under the laws of England and Wales. The Parent Guarantor is a wholly owned subsidiary of Arqiva Financing No 3 plc ("**AF No 3**"). |
| **Intermediate Guarantor:** | Arqiva Financing No 2 Limited, a private limited company incorporated under the laws of England and Wales. The Intermediate Guarantor is a wholly owned subsidiary of the Parent Guarantor. |
| **Intermediate HoldCo:** | Arqiva Broadcast Intermediate Limited, a private limited company incorporated under the laws of England and Wales. Intermediate HoldCo is a wholly owned subsidiary of the Intermediate Guarantor. |
| **Source of Funds for Required Payments by the Issuer and the Guarantors** | The payment by the Intermediate Guarantor of interest, principal and other amounts to the Issuer under the Intercompany Loan Agreement and payments under the guarantee by the Guarantors will be the principal sources of funds for the Issuer to make its required payments in respect of the Notes outstanding from time to time.<br>Each of the Guarantors will be reliant upon the payment by its subsidiaries (being the members of the Senior Financing Group) of dividends and certain other distributions to meet their respective payment obligations in respect of interest and principal due to the Issuer under the Intercompany Loan Agreement and under the Guarantee, as applicable. The Guarantors (and, in turn, the Issuer) will therefore be substantially reliant on the cashflow of the Senior Financing Group in fulfilling their respective obligations under the Notes. |
| **Notes Offered:** | £500,000,000 aggregate principal amount of 8.625% Senior Secured Notes due 2030 (the "**Notes**"). |
| **Issue Price:** | 100.000% (the "**Issue Price**"). |
| **Issue Date:** | 3 July 2025 (the "**Issue Date**"). |
| **Maturity Date:** | 1 July 2030 (the "**Maturity Date**"). |
| **Interest Rates:** | The Notes will bear interest at a rate of 8.625% per annum. |
| **Interest Payment Dates:** | Interest on the Notes will be payable semi-annually (except for a short first and last Interest Period) in arrear on 31 March |

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| | and 30 September of each year and on 1 July 2030, beginning on 30 September 2025. Interest on the Notes will accrue from the Issue Date. |
| **Status of the Notes:** | The Notes will constitute direct, secured, unconditional and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves and *pari passu* with any Indebtedness (as defined in the Terms and Conditions) of the Issuer that is not subordinated in right of payment to the Notes. |
| **Form of Notes:** | The Notes will be issued in registered form and deposited with a common depositary for Euroclear and Clearstream, Luxembourg. |
| **Denomination of the Notes:** | The Notes will be issued in minimum denominations of £100,000 and integral multiples of £1,000. |
| **Guarantees:** | The Notes will be guaranteed on a senior basis by Arqiva Financing No 2 Limited, a private limited company incorporated under the laws of England and Wales ("**AF No 2**" and the "**Intermediate Guarantor**"), Arqiva Broadcast Parent Limited (the "**Parent Guarantor**") and Arqiva Broadcast Intermediate Limited ("**Intermediate HoldCo**" and, together with the Intermediate Guarantor and the Parent Guarantor, the "**Guarantors**" and together with the Issuer, the "**Obligors**").<br><br>Each Guarantor will unconditionally and irrevocably guarantee that if the Issuer does not pay any sum payable by it under the Note Trust Deed or the Notes at the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) it will, jointly or severally with each other, pay or procure the payment of that sum to or to the order of the Note Trustee, according to the terms of the Note Trust Deed and the Notes.<br><br>Each Guarantor will unconditionally and irrevocably agree, as an independent primary obligation, that it will pay the Note Trustee sums sufficient to indemnify the Note Trustee and each Noteholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Note Trust Deed or the Notes not being paid on the due date or any other payment obligation of the Issuer under the Note Trust Deed or the Notes being or becoming void, voidable or unenforceable for any reason.<br><br>Each Guarantor's guarantee and indemnity will be a continuing guarantee and indemnity and shall remain in full force and effect until all amounts due in respect of the Notes or the Note Trust Deed have been paid in full.<br><br>Each of the Guarantors shall be subrogated to all rights of the Note Trustee and the Noteholders against the Issuer in respect of any amounts paid by it pursuant to the Guarantee. |
| **Security:** | The Notes and the Guarantees will be secured by: |

- first ranking fixed and floating charges over:
  - (i) all moneys standing to the credit of each Obligor bank account (for further details see "*Summary – Accounts*") and debts represented thereby;
  - (ii) each Obligor's book debt;
  - (iii) all shares of any person owned by each Obligor including dividends, interest and other monies payable in respect thereof and all other rights related thereto (including the Parent Guarantor's shares in each of the Intermediate Guarantor and the Issuer, the Intermediate Guarantor's shares in Intermediate HoldCo and Intermediate HoldCo's shares in the Senior Parent); and
  - (iv) any loan made by any Obligor to any other person;
- an assignment (and, to the extent not assignable, charge) of each Obligor's rights under intra-group loans owed to each of them; and
- a first floating charge over all the assets of each Obligor.

The security granted pursuant to the Transaction Security documents have characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Notes.

The security will be subject to release under certain circumstances. See "*Summary of the Transaction Documents—Intercreditor Agreement—Release of the Guarantees and Transaction Security*". The security will also be subject to certain conditions and processes. See "*Use of Proceeds and Refinancing Mechanics*" and the Risk Factor entitled "*The Notes will be temporarily unsecured due to the refinancing mechanics*".

**Bank Accounts**

The bank accounts of the Issuer and each of the Guarantors are held with HSBC Bank plc, and such bank accounts are charged as part of the Transaction Security (for further details see "*Summary – Accounts*").

**Ranking of the Notes:**

The Notes will:

- be general obligations of the Issuer, secured by the Transaction Security;
- rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes;
- rank senior to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Notes; and

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| | • be structurally subordinated to any existing and future indebtedness of subsidiaries of the Parent Guarantor that do not guarantee the Notes (including the Senior Financing). |
| **Admission to trading:** | Application has been made for the Notes to be admitted to trading on the to the London Stock Exchange's International Securities Market (the "Market"). References in this Offering Memorandum to Notes being "admitted to trading" (and all related references) shall mean that such Notes will be admitted to trading on the Market. This Offering Memorandum does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 or Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended). The Market is not a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended). |
| **Use of Proceeds:** | The proceeds of the Notes will be on-lent by the Issuer to AF No 2 by way of Intercompany Loans under the Intercompany Loan Agreement. AF No 2 will use the proceeds of the Intercompany Loans to repay the Existing Junior Debt in full. |
| **Change of Control:** | Upon the occurrence of certain events constituting a "change of control", the Issuer is required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest to the date of purchase. |
| **Optional Redemption:** | The Issuer may:<br>• redeem the Notes in whole or in part at any time on or after 1 July 2027, at the redemption prices described in this Offering Memorandum under "*Terms and Conditions—Condition 6.2.2 (Optional Redemption)*", plus accrued and unpaid interest to the date of redemption; and<br>• redeem the Notes in whole or in part at any time after the Issue Date but prior to 1 July 2027, at a redemption price equal to 100% of the principal and the applicable "make-whole" premium as described in this Offering Memorandum under "*Terms and Conditions—Condition 6.2.1 (Optional Redemption)*" (the "**Applicable Premium**"), plus accrued and unpaid interest and additional amounts, if any, to the date of redemption. |
| **Certain Covenants:** | The Conditions will restrict the ability of the Issuer and the Guarantors to, among other things:<br>• incur indebtedness;<br>• provide guarantees; |

- make investments;
- incur liens;
- make certain restricted payments, including dividends or other distributions;
- make acquisitions;
- make disposals; or
- merge or consolidate with another company.

In addition, the Conditions will restrict the ability of the Senior Obligors to, among other things:

- make investments or acquire any business;
- make disposals; or
- make certain modifications to the restricted payments or permitted business covenants in the Common Terms Agreement.

Furthermore, the Conditions will restrict the ability of members of the Group (that are not the Issuer or the Guarantors) to make restricted payments.

These covenants are subject to a number of important limitations and exceptions, including intragroup transactions. For a more detailed description of these covenants, please see "*Terms and Conditions*".

**Redemption for Tax, Illegality and Other Reasons:**

If at any time the Issuer certifies to the Note Trustee that:

(a) by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, the Issuer would, on the next Interest Payment Date, become obliged to deduct or withhold from any payment of interest, premium or principal in respect of the Notes (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the UK or any political subdivision thereof, or any other authority thereof or any change in the application or official interpretation of such laws or regulations;

(b) the Issuer or any Paying Agent would be required to deduct or withhold any amount from any payment in respect of any Notes pursuant to FATCA;

(c) the Intercompany Borrower would on the next Interest Payment Date be required to make any withholding or deduction for or on account of any Taxes from payments under the Intercompany Loan Agreement in respect of any Intercompany Loan corresponding to the Notes; or

(d) by reason of a change of law (or the application or official interpretation thereof), which change becomes

effective on or after the Issue Date, it has or will become unlawful for the Issuer to perform any of its obligations under the Intercompany Loan Agreement in respect of any Intercompany Loan corresponding to the Notes or to fund or to maintain its participation in any Intercompany Loan corresponding to the Notes,

then the Issuer may, upon giving not more than 15 and no less than five Business Days' prior written notice to the Note Trustee and the Noteholders in accordance with the Conditions, redeem all (but not some only) of the relevant class of the Notes at any time, in an amount equal to the principal amount outstanding of the Notes plus any accrued and unpaid interest.

**Withholding Tax on the Notes:**

All payments in respect of the Notes will be made (whether by the Issuer, any Guarantor, any Paying Agent or the Note Trustee) without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature unless the Issuer, any Guarantor, any Paying Agent or the Registrar or, where applicable, the Note Trustee is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature. In that event, the Issuer, such Guarantor, such Paying Agent or the Note Trustee, as the case may be, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted, but without limitation to *Condition 6.3 (Redemption for Taxation or Other Reasons)*. The Issuer or, as the case may be, the Guarantors shall (subject to the terms of *Condition 8 (Taxation))* be obliged to pay additional amounts to the Noteholders as a consequence of such withholding or deduction.

**Purchase of the Notes:**

The Issuer or any Guarantor may at any time purchase Notes in the open market or otherwise and at any price.

All Notes that have been redeemed or purchased by the Issuer must, or all Notes purchased by any Guarantor may at its option, be surrendered by the Issuer to any Paying Agent and/or the Registrar for cancellation.

Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged and there will be a deemed repayment of the corresponding Intercompany Loan.

For the avoidance of doubt, any other Group Company (as defined in the Terms and Conditions), Holding Company or Subsidiary of any Holding Company that is not a Group Company may also purchase Notes (without such surrender

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| | and cancellation), but would also be unable to vote on such Notes. |
| **Note Trustee:** | Deutsche Trustee Company Limited will act as trustee for the Noteholders (in such capacity, the "**Note Trustee**"). |
| **Registrar:** | Deutsche Bank Luxembourg S.A. will be appointed as registrar to the Issuer with respect to the Global Certificates (in such capacity, the "**Registrar**"). |
| **Principal Paying Agent:** | Deutsche Bank AG, London Branch will be appointed as principal paying agent to the Issuer (together with any further paying agents appointed to the Issuer, the "**Paying Agents**"). |
| **Security Trustee:** | Deutsche Trustee Company Limited will act as security trustee for the Noteholders and the other Secured Creditors (in such capacity, the "**Security Trustee**"). |
| **Agent Bank:** | Deutsche Bank AG, London Branch will be appointed as agent bank to the Issuer (in such capacity, the "**Agent Bank**"). |
| **Transfer Agent:** | Deutsche Bank Luxembourg S.A. will be appointed as transfer agent to the Issuer with respect to the Global Certificates (in such capacity, the "**Transfer Agent**"). |
| **Selling restrictions:** | There will be restrictions on the offer sale and transfer of the Notes in the United Kingdom, the United States and such other jurisdictions as further described in "*Transfer Restrictions*". |
| **Governing law:** | The Notes and the Note Trust Deed (and any non-contractual obligations arising out of or in connection therewith) will be governed by English law. |
| **Jurisdiction:** | The courts of England will have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and the Note Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection therewith). |
| **Risk Factors:** | Investing in the Notes involves risks. Prospective investors should carefully consider the information in the section headed "*Risk Factors*" and the other information included in this Offering Memorandum before deciding whether to invest in the Notes. |

# RISK FACTORS

The following sets out certain aspects of the Transaction Documents and the activities of the Group, the Issuer and the Guarantors of which prospective Noteholders should be aware. The occurrence of any of the events described below could have a material adverse impact on the business, financial condition or results of operations of the Issuer and the Guarantors and could lead to, among other things, Events of Default and/or non-payment of amounts under the Notes.

This section of this Offering Memorandum describes all material risks that are known to the Issuer, the Guarantors and the Group as at the date of this Offering Memorandum. This section of the Offering Memorandum is not intended to be exhaustive and prospective Noteholders should read the detailed information set out elsewhere in this document prior to making any investment decision. Further, prospective Noteholders should take their own legal, financial, accounting, tax and other relevant advice as to the structure and viability of an investment in the Notes. Noteholders may lose the value of their entire investment in certain circumstances.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum and reach their own views prior to making any investment decision.

In addition, while the various structural elements described in this Offering Memorandum are intended to lessen some of the risks discussed below for holders of the Notes, there can be no assurance that these measures will ensure that the holders of any Notes receive payment of interest or repayment of principal from the Issuer in respect of such Notes on a timely basis or at all.

## Business and Industry Risks

### Demand for the Group's Media and Broadcast Infrastructure

The Group is the UK's pre-eminent national provider of Digital Terrestrial Television ("**DTT**") and radio broadcast infrastructure, which it typically provides under long-term, high value contracts. Therefore, factors adversely affecting the demand for such infrastructure in general could have a material adverse impact on the Group's customers and on the Group's business, financial condition and results of operations, particularly over the medium and long term as such contracts come up for renewal. Such factors could include:

- a decrease in consumer demand for broadcast services due to adverse general economic conditions or other factors, including changing consumption habits by end consumers, including their adoption of alternative content distribution technologies such as Internet Protocol ("**IP**");
- a deterioration in the financial condition of broadcasters generally due to declining advertising revenues (including a shift to internet advertising), declining viewership, media convergence, "over-the-top" ("**OTT**"), and the direct and indirect impacts of the macroeconomic environment;
- a reduction in public funding for the BBC, or a variation in Public Service Broadcaster ("**PSB**") requirements through the BBC Charter or PSB licences including any changes which impact their purpose, service range or/and coverage and universality requirements;
- a slowdown in the uptake of Digital Audio Broadcast ("**DAB**") services by consumers, which could impact the attractiveness of DAB to radio broadcasters and listeners, or a reduction in the overall radio market in favour of IP delivered music and radio content;

- a decrease in the growth rate of telecommunication services in the UK generally or of a particular area of the telecommunications sector, and willingness to invest in the expansion of rural capacity and coverage, with the potential to impact Cellnex trading levels with the Group;
- adverse developments with respect to regulatory licensing and/or allocation of spectrum and changes in broadcast and telecommunications regulations;
- mergers or consolidations among broadcasters and content providers;
- changing strategies of telecommunication service providers with respect to the ownership, consolidation or sharing of passive infrastructure, or increased use of network sharing or resale arrangements by telecommunication service providers among themselves, with the potential to impact Cellnex trading levels with the Group;
- adverse developments regarding planning permission for locations where the Group's infrastructure is located or where the Group would prefer to locate future infrastructure, as well as applicable environmental, health, tax and other government regulations;
- tariffs imposed by government (including, but not limited to the current United States government) being extended to the provision of DTT and radio broadcast infrastructure; and
- the failure by the Group to adapt or to incorporate new technologies or to decommission old technologies.

In the long-term, a deterioration in demand for the DTT platform may occur, either due to increased viewership of television programmes delivered via alternative platforms such as IP or cable; or reduced demand from advertising-funded, transactional or news channels. In addition, there may be changes in government or regulatory policy related to the DTT platform. This could include an adverse outcome from the DCMS ministerial-led TV distribution review, which is looking at long-term options for the future of DTT post 2034, including a potential decision to migrate away from DTT throughout the 2030s.

There is also the potential risk of a future long-term loss of some of the spectrum allocated for the DTT platform and radio due to strategic decisions by the government of the United Kingdom (the "**Government**") and Ofcom, any relevant international agreements around use of spectrum (e.g. at World Radiocommunication Conference events) and their implementation in the UK in favour of alternative uses of spectrum (e.g. by MNOs) and IP delivery of television services, including by the PSBs. This could have an impact on the number of available DTT multiplex licences over the longer term and potentially adversely impact the Group's ability to sell streams through its DTT Capacity division, noting that multiplexes could be more efficient in the future and carry a greater number of services per multiplex through a refresh in the technology from DVB-T to DVB-T2. Here, the Group notes that at the conference in 2023 (WRC23) it was agreed that the issue of spectrum allocated to DTT would not be on the proposed agenda until the conference in 2031 (WRC31) with the next conference in 2027 (WRC27) planning to focus on other spectrum bands, thus providing considerable protection for DTT.

In its Media and Broadcast business segment, DTT faces competition for digital broadcast media from competing platforms, such as satellite, cable, Internet Protocol television ("**IPTV**") delivered over broadband or OTT (e.g. Netflix), which may emerge as technically superior or otherwise appealing alternatives. For example, satellite television broadcast, which has been expanding its range of services, now offers Ultra-High Definition ("**UHD**") and currently offers more High Definition ("**HD**") channels than DTT, which could increase the viewer appeal of satellite broadcasts in relation to DTT. OTT providers have also been expanding their range of HD and UHD content. In the event consumers shift away from their reliance on DTT for television and turn in greater numbers to these, or other, alternative platforms, such a shift could negatively affect the long-term profitability or sustainability of DTT. It is also possible that the Government introduces policies which support further uptake of high-speed fixed broadband (e.g. to

reduce the cost for households without access) which would overcome some of the challenges with the uptake of IPTV. Should DTT's share of the television delivery platform market decline because of greater uptake of alternative television delivery platforms, it could have a material adverse impact on the Group's business, financial condition and results of operations. With respect to radio, in the medium to long-term DAB could be challenged or replaced as the primary means of broadcasting digital radio content by internet radio or another medium. This could also result in fewer resources being devoted to DAB in terms of new sites or expansion of coverage which would negatively impact the Group's business.

The Group's DTT Capacity business, which sells DTT broadcast capacity to broadcasters, faces direct market competition from S4C Digital Networks ("**SDN**"), the owner of the only national commercial DTT Multiplex in the UK not owned by the Group. Additionally, should alternative platforms or forms of delivery of television services, such as satellite, cable, IPTV or OTT expand and challenge DTT's market position, it could reduce the general demand for DTT Multiplex capacity and negatively impact the prices the Group is able to achieve. The Group could also face competitive pricing changes if new technology or spectrum availability were to significantly affect supply of, or demand for, Multiplex capacity.

The Group's DTH satellite services face competition from other platforms, such as DTT, cable, IPTV delivered over broadband or OTT, which may emerge as technically superior or otherwise appealing alternatives. In the event consumers or the platform operators shift away from the reliance on DTH/satellites as a means of distribution for television and turn in greater numbers to these, or other, alternative platforms, such a shift could negatively affect the long-term profitability or sustainability of DTH. If DTH's share of the television delivery platform market declines because of greater uptake of alternative television delivery platforms or the platform operators decide to change distribution technologies, it could have a material adverse impact on the Group's business, financial condition, and results of operations.

Any decline in demand for the Group's Media and Broadcast infrastructure attributable to one or several of the factors listed above could have a material adverse impact on the Group's business, financial condition, and results of operations.

**Demand for the Group's SUN infrastructure could decline**

In the SUN business segment, any change in government policy or regulation, or a shift in utilities customer's smart metering strategies could have a material adverse effect on demand for the Group's SUN business. For example, the Independent Water Commission has been established by the current Government in October 2024 and is due to present recommendations in 2025; depending on its results, the adoption and implementation of any potential recommendations may present a risk to the Group's current and future market position and opportunities in terms of the SUN market. Additionally, instability in the water sector may lead to the temporary or permanent nationalisation, or fundamental restructuring of one or more water companies. This may affect current contracts and/or future opportunities. Competition in the SUN business segment can also be challenging, as new entrants to the market such as Netmore and Connexin have emerged over the last 12 months with alternative small-scale and lower cost network technology such as LoRaWAN.

In the energy market, the Group interfaces with the energy suppliers through the CSPN contract with the DCC. There is a risk that that contract could expire in 2028 without extension or renewal. This eventuality would leave the Group exposed to support an exit period of up to 4 years with no agreed commercial cover. The potential unavailability of sub-components required in the manufacturing of communications hubs to support the CSPN contract is also a risk as it would prevent the Group from being able to fulfil customer demand. Components of the communications hubs are no longer being produced due to end-of-life constraints. Any replacement component would need to be integrated into existing designs which would come with both supply and financial implications.

Any risk to the availability or supply of devices could further affect these business segments, insofar as they could hinder the Group's ability to deliver against secured contracts and to support new contract

acquisition. The impact of Covid-19 and the war in Ukraine on the global supply of semi-conductors reduced the availability of components required to deploy networks for the Group's existing contracts for a period, but as at March 2025 the situation has eased, and supplies meet current required demand. However, future geopolitical events and epidemic crises may similarly affect the Group's contracts, potentially preventing the fulfilment of customer demand.

Other risks applicable to both energy and water sectors include disruption to the existing SUN technology, delays or difficulties faced by customers in the adoption of smart meters, adverse impact to the end to end service (in terms of quality or features) due to high complexity, poor performance of the overall service, negative media coverage, the affordability of such technology or reputational damage resulting from a security breach with regard to the communications hubs or smart meters linked to the Group's smart metering networks.

In the Managed Connectivity segment, the Group faces a risk that Ofcom will materially extend the life of the Public Switched Telephone Network ("**PSTN**") affecting take-up of Hybrid Communications products in the energy sector.

Mismatch between contracted terms and approved business cases may represent a risk of under delivery of benefits or inability to supply. Similarly, mismatch between contracted terms and those passed through to suppliers may represent a risk of under delivery of benefits or inability to supply.

Any decline in demand for the Group's SUN infrastructure attributable to one or several of the factors listed above could have a material adverse impact on the Group's business, financial condition, and results of operations.

**The Group is subject to UK government and other regulations that govern the way it conducts its businesses, and the effects of, or changes in, regulations and government policy could have a material adverse impact on the Group's business, financial condition and results of operations**

*Media and Broadcast – Undertakings:* The Group's provision of broadcast television and radio transmission services is regulated by Ofcom and is subject to a set of undertakings ("**Undertakings**") accepted by the Competition Commission (now its successor, the Competition and Markets Authority ("**CMA**") and overseen by the Office of the Adjudicator – Broadcast Transmission Services ("**OTA-BTS**"), appointed by and reporting to Ofcom.

The existing regulated framework follows guidance originally put in place by Ofcom in 2005 following their Broadcasting Transmission Services market review. This was further reviewed by Ofcom in 2016 and the operation of the subsequent undertakings given to the Competition Commission (now its successor, the CMA) by the Group's shareholders in 2008 were found to be effective. Contract prices for the provision of Network Access ("**NA**") services are set within the framework of a reference offer (a "**NA Reference Offer**"). Under a NA Reference Offer, the Group is allowed to make a fixed rate of return equivalent to a Weighted Average Cost of Capital ("**WACC**") of 7.71% (real pre-tax) on a pre-2015 regulated asset base used for NA services and a 7.5% WACC (real pre-tax) on post-2015 new capital assets. Should the regulated pricing framework change, or if the WACC is adjusted by the OTA-BTS in the future (whether due to a change in the broadcast transmission market, an alteration to the Group's capital structure or a deviation in the pricing methodology in connection with the WACC, which in each case could potentially cause the OTA-BTS to review the WACC), it could reduce the long-term returns the Group would receive on its broadcast infrastructure assets. In addition, any changes to the regulatory guidance around the indexation measure the Group can charge could impact long-term revenues, noting that the Group's broadcast transmission services contracts are currently based on Retail Price Index ("**RPI**") measures. Furthermore, customers may challenge such regulated pricing, which could impact long-term contracts and returns, and increase volatility.

In April 2025, The OTA-BTS has launched a consultation which outlines the view that its powers are prospective only subject to limited exceptions (for example non-compliance with the Undertakings). However, in general, the Group could be negatively impacted if the OTA-BTS or CMA were to impose changes on the Group's regulated business either through a successful challenge from customers of the Media and Broadcast business function or via a separate decision which results in amendment to the regulatory framework or guidance.

The regulated framework allows any of the Group's broadcast customers to be repaid up to 10% of payments made to the Group in any one year or receive equivalent service credits (which can be used to offset payment for services provided by the Group) in the event the Group persistently and materially fails to meet contracted service level agreement ("**SLA**") targets and fails to subsequently remedy the failure within a cure period. In more limited instances, customers are permitted to terminate contracts or exercise break clauses that terminate the relationship at a future date prior to the completion of their contracts. Although to date, the Group has not had any agreements terminated for failure to meet SLA targets, there is no assurance that in the future this will not occur.

As the Group is the sole UK provider of national terrestrial broadcast infrastructure necessary for DTT and the leading national provider of terrestrial broadcast infrastructure necessary for radio transmission in the UK, and since the Group's DTT Capacity business is a customer of the Group's Media and Broadcast DTT Transmission – commercial function, the Undertakings also require the Group to impose strict information barriers between the different parts of the Media and Broadcast business function, and subject the Group to regular audit. A breach of these Undertakings, competition law or the Group's regulatory obligations could give rise to a range of potential penalties including fines of up to 10% of the Group's annual revenue and, in exceptional circumstances, structural remedies including the enforced sale of components of the Group.

In addition, the Group engages in dialogue with broadcaster customers including multiplex operators and also Ofcom on a regular basis, which could lead to it implementing certain measures to enhance the resilience of its infrastructure and technology including (without limitation) further construction, development, expansion and/or maintenance of its broadcast and wireless telecommunications infrastructure and technology, which could in turn require additional capital expenditure. Accordingly, such additional requirements could impose significant costs on the Group and impact its business, financial condition and results of operations.

DTT Capacity Business – *Multiplex Licences:* The Group's DTT and radio broadcast operations are highly dependent on the Group's multiplex licences ("**Multiplexes**"), granted under the Broadcasting Act 1996, and related commercial spectrum licences under the Wireless Telegraphy Act 2006, each as issued by Ofcom. The Group's DTT Multiplexes are particularly material to the Group's business and are granted for specified time periods. In August 2021, the Department for Digital, Culture, Media and Sport concluded that the Government will give Ofcom the power to carry out an early renewal of the Group's two current DTT multiplexes until 31 December 2034 accompanied by appropriate regulatory flexibility on international spectrum grounds via the inclusion of a new revocation power, subject to a five year notice period and which could not take effect before the end of 2030. Arqiva Muxco's were subsequently renewed on 19 May 2023 and run until 31 December 2034.

In addition, the Group may be exposed to capacity losses as a result of Ofcom re-designating any DTT Multiplex licence held by the Group for a purpose other than DTT or changing technical specification requirements resulting in capacity loss. Should the Group be unable to maintain licences providing sufficient broadcasting spectrum capacity, there may be a corresponding reduction in the Group's Media and Broadcast business, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

DTT Capacity Business – *Spectrum Fees:* In 2013, Ofcom announced a potential framework for introducing spectrum rental fees under an Administered Incentive Pricing ("**AIP**") scheme to encourage efficient spectrum use. Although Ofcom has, to date, decided to refrain from applying opportunity cost-based AIP pricing to broadcast spectrum, it is possible that AIP pricing will be implemented in the future. Currently, Ofcom has charged and is expected to continue to charge administrative cost-based fees to Multiplex operators, including the Group, based on Ofcom's direct costs associated with managing spectrum and the administration of broadcast licences. Whilst it is uncertain whether Ofcom will introduce significant AIP Fees, it has the potential to do so at a future date. Although the Group would expect to pass through a proportion of any AIP fee levied by Ofcom to its customers, and includes AIP clauses in its current contracts, the Group may not be able to fully pass these costs on to all of its customers or include similar clauses in future contracts without adversely affecting demand for the Group's Multiplex services. The imposition of significant AIP fees could therefore impact the DTT Capacity business profitability or reduce the competitiveness of the DTT platform relative to competing platforms (such as DTH satellite, cable, IPTV or OTT), which could have a material adverse impact on the Group's business, financial condition and results of operations.

*Potential Changes to BBC Funding Structure*: The BBC, which is one of the Group's key customers for DTT transmission services and radio, was the first television broadcaster in the UK and remains a central element of the UK broadcasting environment. In the United Kingdom and its Crown Dependencies, (Jersey, Guernsey and the Isle of Man), any household watching or recording live television transmissions as they are being broadcast (terrestrial, satellite, cable or internet) is required to purchase an annual television licence. Income from the licence is primarily used to fund the BBC's television, radio and online services.

As a result, the BBC has one of the most stable and established funding sources in UK media. The BBC's funding is reviewed every five to ten years by Royal Charter, giving it more certain funding than, for instance, government budget allowances, which are assessed annually. In the 2016 review, the BBC was awarded an 11-year charter, providing the Group with more certainty and allowing it to implement decisions over a longer time horizon. In 2022, the BBC was awarded a confirmed level of funding for the licence fee until 2028. This included an announcement that the licence fee would be frozen at £159 until 2024. The Government confirmed in November 2024 that the licence fee would continue until, at least, the end of the current charter period in 2027 and that the cost of the licence fee would increase in line with CPI inflation each year until the end of 2027. In return for this funding by Royal Charter, the BBC must fulfil a range of obligations, including maintaining universal coverage, defined as reaching at least 98.5% of the population.

As the only provider of national DTT, analogue, and digital radio transmission services to the BBC, the Group receives significant business from the BBC transmission agreements for the services that the Group operates. Any change to the funding arrangements for the BBC that significantly change the budget provided to the BBC, for example, from a revised licence fee or other funding mechanism, (such as by viewer subscription), could create a risk to the future business of the Group.

The Government announced in November 2024 that it will undertake a review of the BBC's Royal Charter, including considering future funding options to support the BBC's long-term future, with the stated aim of ensuring that the BBC has a sustainable public funding model that supports its vital work and enables it to thrive for decades to come. The Charter Review will include a public consultation. Any change to the licence fee funding model could impact the Group and its ongoing role in serving the BBC. The Group is also potentially impacted by the BBC Charter process and any decisions within it that could impact the role of broadcast, any specific broadcast services or any other services provided by the Group.

*Managed Media Services:* The licences required to transmit satellite signals on the relevant frequency and for relevant satellites and teleport licences are regulated by Ofcom in the UK and by relevant regulatory authorities in other jurisdictions where the Group operates (the "**Managed Media Services**"). Although the Group believes it is currently in compliance with all its material regulatory obligations in respect of its *Managed Media Services* business, the Group may not to remain in compliance with such obligations in

the future. Changes in laws, regulations or government policy affecting the Group's *Managed Media Services* activities such as decisions by regulators as to the granting, amendment, renewal, revocation or termination of licences or broadcast agreements, could be adopted that make compliance more difficult or expensive. Following the decision to exit the European Union ("**Brexit**"), Ofcom implemented the Audiovisual Media Services Regulations 2020. As these regulations are updated separately in the UK and the European Union in future, they may make it more difficult for the Group's clients to distribute channels from UK teleports into Europe, specifically regarding compliance with these regulations.

If regulatory changes impact any of the Group's businesses and thereby impair the Group's ability to provide its products, or current regulations obstruct the Group's current business or future projects undertaken by the Group, such regulatory change could have a material adverse impact on the Group's business, financial condition and results of operations.

*SUN – Energy Smart Metering:* The Group has designed and deployed a smart metering communication network in the North of England and Scotland as part of a 15-year contract signed in September 2013 with Data Communications Company, which is licensed by the Government. The DCC is also supervised by the Office of Gas and Electricity Markets ("**Ofgem**"), the energy regulator. Any change to the UK political environment may cause the Secretary of State to vary the licence conditions, and/or materially change the overall programme and these changes in turn may be passed down to the Group and result in additional costs or an adverse effect on the Group's ability to provide its services.

Ofgem is currently reviewing the regulatory arrangements for the DCC ahead of the expiry of its licence due in September 2027. As part of this process, Ofgem must also identify and select a successor licensee to hold the new Smart Meter Communication Licence. The licence grant determination is expected in February or March 2026. The licence is currently held by Capita, and the new licence will carry with it new licence conditions which may result in additional costs or adverse effect on the Group when considering any contract extension or renewal.

Pricing within the existing contract is unlikely to be impacted by any change in the relevant law, however an immediate direct impact is possible. The initial term of the DCC CSPN contract is due to expire in 2028 and the Group considers that it would be uneconomical for the DCC to change a communications service provider at that point, hence the Group assumes that it will be successful in securing a contract renewal, but this cannot be guaranteed. The effect of not renewing the contract would result in material adverse impact on the Group's business, financial condition, and results of operations. The DCC has a right to extend for five-years until 2033. A contract renewal would be subject to consultation which may result in non-renewal of the contract or in material changes to the construct of the network and the services provided. Any such changes would be reflected by way of an agreed change to the current contract. Any change in law impacting pricing could be implemented upon contract renewal.

Any or a combination of the above factors in terms of regulatory changes or material contract amendments could have a material adverse impact on the Group's business, financial condition, and results of operations.

**The Group is dependent on its technical and information infrastructure and a significant security breach or other critical disruption in the Group's technical or information infrastructure could result in material harm to the Group's performance, harm the Group's reputation, and have a material adverse impact on the Group's business, financial condition and results of operations**

The Group relies heavily on its sophisticated technical infrastructure which support key operational processes to provide both internal and customer facing services. A major security breach or critical disruption could severely impact its performance, damage its reputation, and have significant negative effects on its business, financial health, and operational results.

These systems and services are vulnerable to interruptions or other failures resulting from, among other things, software, equipment or telecommunications failures, processing errors, computer viruses, malware, fraud, supplier or maintenance defaults, natural disasters such as adverse weather, flooding and erosion, vandalism and terrorist attacks. For example, a breach of information security could impair the ability of the Group to adequately provide its services, cause financial loss, reduce performance by one or more of the Group's businesses or damage the Group's reputation. Additionally, a security breach or intrusion upon the Group's information technology infrastructure could compromise the security of information stored in or transmitted through the Group's systems (including customer data and broadcast transmissions) or compromise the integrity of the Group's technical systems more broadly. The Group provides a significant proportion of the UK's critical national communications infrastructure. If the Group's smart metering networks are subject to cyber-attacks, it could cause a material loss of, or damage to, data or systems, which may have a material adverse impact on the Group's business, financial condition, and results of operations.

While the Group seeks to protect its computer systems and network infrastructure from physical intrusion as well as security breaches and other disruptions that could affect the Group's telecommunication and information infrastructure its security, backup and disaster recovery measures (including the level of insurance) may not be adequate or implemented in a manner which fully prevents such errors, processing inefficiencies, or security breaches, and as a result the Group may face an inability to use the systems or process transactions, suffer financial loss, or experience loss of customers or other business disruptions. To provide its various services, the Group may allow suppliers and customers to access certain elements of the Group's data and telecommunications infrastructure. As a result of permitting such access, the Group's technical or information infrastructure could be attacked or compromised. While the Group takes extensive measures to maintain the security of these externally-facing networks there can be no assurance that the Group's security measures will be adequate or successful in preventing such risk created by the need for supplier or customer access to the Group's information infrastructure, and the costs of maintaining adequate security measures may increase substantially in the future.

Due to the nature of this risk the Group adopts an in-depth approach as articulated above in line with industry good practice and certified to ISO27001 in order to maintain protective controls during this period of vulnerability. The Group could potentially suffer a security breach as a result of inadequate threat and vulnerability management. Due to the complexity of the Group's operational networks and reliance on third-party equipment manufacturers to produce patches to software vulnerabilities they can be times at which the Group's infrastructure is exposed to increased cyber threats while original equipment manufacturers prepare remedies. An example of this occurred during the Solarwinds vulnerability in December 2020, which was a critical industry wide vulnerability which meant that hackers had access to certain customers who utilised Solarwinds' suite of products. This did not result in a business impact on the Group at the time due to the defence of the in depth controls the Group deploys as part of the ISO27001 information security management system.

Any such breach, or actions taken to repair or prevent a breach, could result in significant cost to the Group or harm the ability of the Group to successfully compete in one or more of its businesses, which could in turn have a material adverse impact on the Group's business, financial condition and results of operations. See "—*The Group must comply with data protection regulations*".

**The Group is exposed to certain risks in respect of the development, expansion and maintenance of its Media and Broadcast and SUN infrastructure, including the need for on-going capital expenditure, which could have a material adverse impact on its business, financial condition and results of operations**

The ageing nature of the Group's passive infrastructure presents a risk, as 40% of the Group's passive infrastructure is greater than 50 years old. For example, in January 2016, one of the Group's masts at its Start Point site was taken down due to a structural issue with the mast's stay wires, resulting in service

disruption relating to that mast. Material failures such as that at Start Point could have an impact that lasts for several months. As reviewed as a part of the LTP a significant portion of the Group's infrastructure has or is reaching the end of its useable life requiring replacement (e.g. DSO network / DAB network).

The technology that the Group's networking and IT rely on is rapidly changing, facing obsolescence on much shorter timescales than in the past, which put services at risk of outages, but also offer up opportunities for exploitation by cyber-attack if release versions and patching is not maintained. Overall, a clear understanding of the asset condition is required to shape the Group's investments to ensure they are safe to operate, provide the contracted service levels expected and meet the licence obligations imposed on the Group by Ofcom, as well as the commitments to the Undertakings. Any asset condition being worse than expected means there is a risk of either service delivery being below SLA requirements, which would lead to revenue penalties or requirements for greater than anticipated capital expenditure. Failures of equipment that could result in the non-delivery to the Group's customers of the necessary service level agreements, which could result in service credits or contract breaches or in extremis loss of contract or licence. The Group remains committed to taking a balanced but focused approach on asset quality and maintenance.

The Group's ability to maintain a high level of service depends on its ability to develop, expand and maintain its infrastructure, requiring substantial amounts of capital and other long-term expenditures, including those relating to the renewal, optimisation or improvement of existing networks, and upon its ability to obtain sufficient financing to facilitate these projects.

Capital expenditure amounts have varied significantly from year to year based on the Group's expenditures for renewals, new projects and planned expansion expenditures. The Group may be subject to additional significant capital expenditure requirements going forward, should it decide to invest additional capital expenditure on new projects as technology develops, if the completion of its existing capital expenditure projects is delayed or if regulatory requirements, changes to contractual arrangements with customers or competitive processes require investment in additional technology or infrastructure. Further, the Group may be unable to generate revenues from new assets or products resulting from such capital expenditure, or their revenues may be insufficient to cover the associated construction and development costs.

In the past, the Group has financed these expenditures through a variety of means, including internally generated cash flows, external borrowings (including under its credit facilities or from some of its customers) or capital recovery from other stakeholders, (e.g. Government/Ofcom as part of the spectrum clearance event) and shareholder contributions. In the future, the Group expects to utilise a combination of internally generated cash flows and external banking and capital markets transactions to meet its planned capital expenditure requirements and such financing may be more costly or otherwise more difficult to obtain. The Group's ability to obtain such financing to fund its capital expenditures could in the longer term be limited by, among other causes, its leverage, its then-current or prospective financial condition or results of operations or its inability for any reason to raise bank debt or to issue securities in the capital markets on commercially reasonable terms. There can be no assurance that financing from external sources will be available on commercially reasonable terms at the relevant time or in the amounts necessary to meet the Group's then existing capital expenditure requirements. If the Group were unable to obtain financing for its future capital expenditures on commercially reasonable terms, this could limit the Group's ability to maintain its current operations in the longer term or expand in the future, which could have a material adverse impact on the Group's business, financial condition and results of operations.

In addition, the expansion, development, renewal and maintenance of the Group's infrastructure requires significant maintenance capital expenditures and are thus subject to risks and uncertainties which could delay the introduction of services in some areas and increase the cost of infrastructure construction. Ageing technology, and the need to maintain its functionality, may prove challenging, as the Group's ability to maintain a certain quality of service in connection with agreed-upon SLAs is critical to its ability to retain its customers and contracts, and failure to do so may expose the Group to service credit penalties or

suspension of normal fees or annual charges. If any of these risks transpire and the Group is unable to successfully maintain its infrastructure, it could have a material adverse impact on the Group's business, financial condition and results of operations.

The Group is subject to several construction, financing, operating, regulatory and other risks, some of which are beyond its control, including, but not limited to:

- shortages of materials, equipment and specialist labour required to maintain and develop its infrastructure;
- failure by sub-contractors to complete projects on time, on budget, or meet appropriate quality or service delivery standards due to several factors, including any of the conditions described herein;
- labour disputes and disputes with sub-contractors, or litigation by sub-contractors resulting from any of the risks herein described;
- inadequate infrastructure, including failure by third parties to fulfil their obligations relating to the provision of utilities and/or transportation links that are necessary or desirable for the successful operation of a project;
- failure to obtain local authority planning or landlord consent for site development, or subsequent disputes with landlords;
- failure to renew land or rooftop leases or managed sites contracts;
- changes in governmental priorities, spending programmes or procurement processes;
- failure to complete projects according to specifications;
- adverse weather conditions and natural disasters;
- incidents, for example the fire which broke out at one of the Group's masts on its Bilsdale site in the North of England;
- unauthorised, rogue or other illicit use of spectrum or telecommunication capacity;
- failure to attract customers to products for which capital expenditure must be committed prior to client contracting; and
- an inability to obtain and maintain project development permission or requisite regulatory licences, permits or approvals.

The occurrence of one or more of the above-listed events may have a material adverse impact on the Group's ability to complete its current or future infrastructure or growth projects on schedule or within budget, if at all, and may prevent the Group from achieving its project milestones or targets under its SLAs.

In addition, the above risks may be more likely to occur if the Group is unable to identify and prevent risks to its existing infrastructure before they occur. Specifically, if the data that the Group collects to identify necessary infrastructure maintenance or expansion work, as well as assess the operational status of existing equipment and machinery, is incomplete or inconsistent, the Group's risk assessment as to the likelihood of an equipment, machinery or infrastructure failure may be inaccurate. Equipment failure could lead to service outages, affecting both customers and employees, resulting in service disruption relating to that mast. Such incidents, for example as occurred at Bilsdale in August 2021 when a fire destroyed the transmission mast, can be costly, may adversely impact customer satisfaction and the Group's reputation and could result in greater regulatory oversight and requirements.

As part of the sale of the Group's telecoms division to Cellnex in 2020 Cellnex retained the right to market circa 900 sites across the UK that were retained by the Group through a 'Portfolio Management Agreement'. These sites provide a revenue stream to the Group and host equipment from mobile operators through the Portfolio Management Agreement, including some 3G infrastructure. As part of the 3G switch off programme across the UK this equipment may be removed at some point in the future or upgraded as part of each mobile operator's future network strategy providing some uncertainty to the consistency of revenues going forward through the Portfolio Management Agreement.

**The Group's product offerings may fail to be competitive or accepted by customers**

The Group's customers may not adopt the technologies the Group invests in, and customers may fail to purchase the products and services offered by the Group. For example, as communications technology continues to develop in the longer term, competitors may be able to offer wireless telecommunication infrastructure and services that provide, or that are perceived to provide similar functionality but at more competitive prices and with comparable or superior quality. The Group cannot be certain that existing, proposed or as yet undeveloped technologies will not become dominant in the future, rendering the technologies and infrastructure the Group uses today, or chooses to invest in for the future, less commercially valuable.

The Group is often involved in large-scale projects to roll out technology, such as for DAB digital radio and smart metering. If the technology underpinning the Group's large-scale projects is not accepted by customers or is not commercially successful, the Group may be unable to realise the expected returns on investments and may face reputational damage. For example, a slowdown or decline in listening via DAB services by consumers, or a reduction of radio channels from the DAB platform exclusively to IP delivery, could impact the attractiveness of DAB to radio broadcasters. The Group has also been an early mover in industries which are in the initial stages of commercial development. If the technology is not successfully developed or these industries do not mature, this may have a material adverse impact on the growth potential of the Group's future business, financial condition and results of operations.

As another example, the Group has relied on the FlexNet technology provided by Sensus UK Systems Limited ("**Sensus**") to develop a smart water meter connectivity product, which has been sold to Thames Water and Anglian Water and is being trialled with other water utility companies. If alternative technologies become available that support connected networks for smart utilities, then demand for the Group's solutions may reduce. If a solution other than FlexNet is more effective or if competitors develop superior or cheaper products, the Group may be unable to win additional smart water metering opportunities.

Further, if the Group is unable to effectively anticipate or react to technological developments, or do so in a commercially viable manner, it could lose customers, fail to attract new customers or incur substantial costs and investments in order to maintain its competitive position, any of which could have a material adverse impact on the Group's business, financial condition and results of operations.

New technological developments may make the Group's existing services less desirable to its customers or consumers, or require significant capital expenditures to upgrade and keep current. For example, future development of IPTV, OTT or non-linear TV viewing, or internet radio could reduce demand for DTT, DTH and/or DAB, which could in turn reduce demand for the Group's DTT, DTH or DAB infrastructure. Additionally, regulatory and competitive factors could require the Group to invest in new technology generations of radio and DTT equipment to maintain the relevance of its platform beyond the duration of existing contracts, which could impose significant costs on the Group.

The need to deliver content across multiple networks – from DTT, Mobile and Broadband – to multiple devices, running multiple technologies and resolutions is creating more complex platforms than ever before. Media and Broadcast is diversifying its services by directly tackling the challenges faced by broadcasters, content owners and platform operators by investing in Cloud and IP technologies to provide new services to support their global distribution strategies and reduce the complexity and cost of managing

content delivery. For example, Arqade is a cloud-based self-service content exchange and Arqplex is a cloud-based headend as a service bringing broadcast and OTT content together to distribute to the required platforms.

*Technology change to the cloud*: The Group has established its position as a provider of products to access media contribution and distribution services without physical infrastructure installation. Originators can create their content, packages and channel bouquets of content. The content is made available through the Arqade platform. Broadcasters and TV platforms discover, review, and select packages of their content. Content can be automatically processed in the required formats and protocols. Channels and/or live events packages are then distributed to where required for the broadcasters' audiences.

The Group has launched several products to leverage the capabilities of the cloud for the Group's customers:

- Arqade is a platform that provide event and channel distribution services through the public cloud. Arqade brings rights holders/originators and broadcasters/recipients together. The former have a single virtual interchange where they can highlight and syndicate content to the latter – who can rapidly discover, review and request that content to create new channels or fill live event schedules. All of this is implemented in the cloud, without having to invest in physical infrastructure or customers having to build their own future-ready cloud environments.

- Arqplex is a cloud-based media management platform designed to streamline the management, processing, and delivery of content for the broadcast and media industry. It enables efficient content aggregation from multiple sources and provides scalable infrastructure to handle large data volumes.

- In late 2024, the Group launched a Streaming Optimisation solution, Arqedge. By optimising streaming workflows and reducing bandwidth consumption, the Group's Streaming Optimisation solution empowers broadcasters and OTT platforms to deliver superior streaming experiences while achieving operational efficiency and cost-effectiveness.

- The Group is further leveraging cloud technology and has launched a Cloud Playout product to manage and deliver television channels and streaming content. Unlike traditional on-premises playout systems that require significant physical infrastructure and resources, cloud playout offers a more flexible, scalable, and cost-effective alternative.

*Managed Media Services products and exposure to new global markets*: With the development of a number of products for media services that are no longer reliant on dedicated infrastructure being located in particular fixed geographical positions – such as for transmission towers, the Group has the capability to be able to provide these services outside of the UK. With Arqade as a connectivity solution, the Group can provide the distribution of media content either for continuous media in real time or for the delivery of discrete assets between media customers on a global basis. The Group is also developing other products designed to support broadcasters as they evolve their services to be delivered via broadband and the internet. These activities include developing services built via cloud computing and supporting media companies to distribute content via the internet through installing equipment in telecom exchanges to support the serving of content closer to consumer's properties. If the Group is not successful in developing or commercialising these services then it could adversely impact the Group's financial performance and future positioning within the market.

The SUN function has identified several market opportunities which are being driven by industry end-of-life services such as PSTN switch-off in 2025, digital transformation of the utilities sector and the requirement to meet regulatory targets. SUN has developed new products which provide satellite and LTE based communications networks for the energy sector, a managed sensors proposition to monitor utilities

networks including gas pressure, water quality and sewer levels and a data analytics service to interpret the data from both meters and sensors for example to specifically identify domestic leaks.

In general, if the Group is not successful in anticipating and responding to technological and competitive change and resulting customer requirements in a timely and cost-effective manner, it could have a material adverse impact on the Group's business, financial condition and results of operations.

**The Group may fail to carry out the successful delivery of its significant contracts or may have under-estimated the costs required to do so**

The Group believes some of its future revenue will derive from contracts to carry out major projects, such as its smart metering projects and new connectivity products for utilities companies. These may be high value projects and subject to a variety of risks, the results of which could cause a delay in project completion or increase costs. The Group may also be exposed to regulatory sanctions and financial penalties if it experiences significant operational failures in any one of its projects or business units, including a repeated or prolonged loss of transmission.

Under the Group's communications service provider contract with the DCC, the Group may be unable to meet critical service obligations within budget as the service increases in size. In addition it may be unable to resolve defects in a timely fashion or deal with other incidents in the production system or achieve network coverage commitments. If the Group is unable to meet these critical service obligations or respond to change requests, the Group may be exposed to contractual claims and damages, which could have a material adverse impact on the Group's business, financial condition and results of operations.

In addition, revenue from major project contracts will depend on the Group's ability to successfully deliver the required services, which will depend on a variety of factors, including, among others, the Group's ability to recruit and maintain qualified engineering staff, the ability of the Junior Group's management to provide sufficient oversight and the performance of the Group's suppliers and contractors. In addition, the ability of the Group to profitably execute its long-term contracts depends on its ability to accurately estimate and successfully manage costs. For example, many of the Group's long-term contracts have cost indexes which are linked to the CPIR or RPI (in particular, those agreed with Ofcom pursuant to the Reference Offer and for which contract prices were negotiated) and, as a result, the Group is exposed to the risk that operating costs increase faster than the relevant cost index. If this occurs, the Group may face difficulty or be contractually prevented from passing all of these increases on to its customers, thereby diminishing the Group's profitability. If the Group fails to perform under any of its major contracts, or if costs increase more than expected, it could have a material adverse impact on the Group's business, financial condition and results of operations.

In addition to risks associated with successful contract delivery, there is also a risk that, for certain of the Group's contracts, the services required to be delivered under such contracts will change as technological specifications evolve. The changes in the services delivered under such contracts may be significant, and the Group may be unable to deliver the additional services without incurring additional costs, which may be significant and may not be capable of being fully passed on to customers.

For example, in respect of the smart metering communication network the Group has built as part of its contract with the DCC, the Group has signed change request orders which set out the further charges to be paid to the Group in relation to specification and timing modifications to the programme. However, the cost and services to be provided under this contract may be subject to additional change requests for which the Group may not be sufficiently compensated, which could lead to cost overruns and unforeseen complexities. These could include uncertainties in the operational model for support and the responsibilities of suppliers, the possibility of unforeseen licence and software costs, the potential for changing licence conditions, changes in scope or policy leading to increased cost of delivery, and unforeseen service management requirements, among others. Although the Group has in the past and will continue to rely upon contractual provisions, in the DCC contract as well as other contractual arrangements, to protect

itself from additional costs that result from changes to the scope of contracted services, the scope of such services may change in such a way that the Group is unable to deliver in a timely and cost-effective manner.

**The revenues contracted for in the Junior Group's orderbook may not be fully realised**

The Junior Group's orderbook of £2.9 billion as of 30 June 2024 (calculated on a real terms basis with no assumptions for contractual inflation)[1] represents the Junior Group's estimate of the potential future revenues to be derived from awarded contracts. The calculation of the Junior Group's orderbook is based on a number of assumptions and estimates, including assumptions related to the performance of certain of the Junior Group's existing contracts as at a particular date, contract duration and the pass through of certain expenses, and certain inflation adjustments.

While the Junior Group's orderbook is presented as at 30 June 2024, by definition an orderbook does not provide a precise indication of the time period over which the Junior Group is entitled to receive such revenue and there is no assurance that such revenues will be actually received by the Junior Group in the time frame anticipated, or at all. The Junior Group may fail to realise its entire orderbook in the future due to cancellations. The only recent material cancellation against the orderbook value has been Russia Today in March 2022, however they were only contracted until June 2022, so the cancellation of their contract did not result in a material loss for the orderbook. The Junior Group has experienced some instances of customers entering into administration (e.g. Ideal World on 13 July 2023, Hochanda on 2 November 2024). Although these cancellations were not material for the Junior Group as a whole, there can be no assurance that the group will not experience significantly larger cancellations in the future. The realisation of the potential future revenues in its orderbook, and the Junior Group's ability to expand or renew its orderbook in the future, will also be affected by the Junior Group's performance under its existing contracts and its ability to meet its customers' operational needs and expectations.

If the Junior Group fails to successfully provide its services, its ability to realise its orderbook could be adversely affected in the longer term, particularly with respect to its key customers, which could materially affect its business, financial condition, results of operations and cash flows.

In addition, contracts for services are occasionally modified by mutual consent given that the Junior Group receives change of scope requests in the ordinary course of business from its customers given the long-term nature of most of its contracts and the evolution of technological specifications, and the Junior Group may be unable to pass through any additional costs from such changes in scope to its customers. Changes in the scope or schedule of the services the Junior Group provides to its clients could adversely affect the Junior Group's orderbook. Even where a project proceeds as scheduled, it is possible that the Junior Group's customers may fail to pay amounts owed to the Junior Group. Delays, renegotiations, payment defaults or project cancellations could therefore significantly reduce the amount of orderbook currently estimated, and consequently, could prevent the full amount of the Junior Group's orderbook from being realised as revenues, which would in turn materially affect the Junior Group's business, financial condition, results of operations and cash flows in the longer term.

**The Group currently depends, and expects to continue to depend, upon a small number of customers for a significant percentage of its revenue under long-term contracts**

The Group's two largest commercial functions, Media and Broadcast and SUN, derive a sizeable proportion of their revenue from a limited number of large customer contracts, many of which are long-term and have a high monetary value. Contracts with the Group's top three customers have historically been extended for long-term periods and are currently due to expire in 2027, 2030 and 2035.

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[1] £3.4bn total estimated ABPL orderbook as at April 2025 (for contracts beyond 1 July 2025) expressed on a nominal basis, representing 5.3x multiple of FY24 Arqiva Broadcast Parent Limited revenue.

If any of these customers terminate or otherwise fail to renew their contracts with the Group, either due to conditions that are within the Group's control (such as poor performance), or conditions that are outside of the Group's control (such as technological developments rendering its infrastructure asset base obsolete), this could have a material adverse impact on the Group's business, financial condition and results of operations. Conditions which are within the Group's control include unremedied poor performance by the Group, for example a persistent failure to deliver DTT transmission service requirements under its contract with the BBC.

Conditions outside of the Group's control include its infrastructure asset base becoming obsolete due to technological developments in the longer term, for example if the BBC is no longer required to use the DTT platform under the terms of its licence or coverage obligations being reduced or other circumstances, including revisions to the BBC's Royal Charter or due to insolvency of the Group's counterparties. Broadcast customers may terminate their contracts with the Group, for any of the reasons provided above, upon providing notice to the Group, which notice periods may be, in some cases, immediately, and in other cases up to 18 months, depending on the specific termination conditions of a given contract, and such termination may give rise to early termination fees depending on the nature of the termination. In addition, due to the nature of the Group's infrastructure assets, the Group may be unable to secure alternative customers on comparable terms to replace those customers, or at all, if its key customers terminate or fail to renew their contracts.

Within the DTT Capacity Media and Broadcast segment the Junior Group depends upon a small number of high-value contracts with UK commercial broadcasters. Revenue from the top five DTT Capacity customers represented 73% of the total revenue in the DTT Capacity function for the year ended 30 June 2024. Contract lengths within the DTT Capacity business tend to be shorter duration (typically two to five years) and hence require more frequent renegotiation, bringing associated pricing risk. The Group has several contracts coming up for renewal in the coming few years in the ordinary course of business, and the Group may not be able to renew such contracts on similar terms, or at all.

The Group is one of only two commercial DTT Multiplex operators in the UK and currently operates at 92% capacity (31.3 of 34 24-hour streams occupied) in use across its two multiplexes COM 5 and 6. Historically, it has seen low Churn rates, typically losing only one to two streams per year on each multiplex for the financial years ending 30 June 2023, 2024 and as projected for March 2025. However, there is no guarantee that the Group will be able to renew existing contracts or sell its products and services on commercially attractive terms—or at all—if the appeal of the DTT platform declines in the longer term. Additionally, there is no certainty that any future capacity made available on the Group's multiplexes can be sold or that it will attract commercially acceptable rates.

Within the SUN commercial function, the Junior Group's revenues come largely from Smart Metering customers. Revenue from the DCC, Thames Water, Anglian and Northumbrian Water together represented 86% of total revenue of the SUN Commercial function for the year ended 30 June 2024. Network contracts with the DCC and Water customers can be up to 15 years.

If any of the Group's key customers experience a general decline in demand due to economic or other forces or if any such customer is not satisfied with the services provided by the Group (resulting in a breach of SLAs or other factors), such a key customer may reduce the number of service orders it has with the Group, terminate its relationship with the Group (subject to certain early termination fees) or opt not to renew its contractual relationship with the Group upon expiration. As a result of these or other factors, if customers choose to cease using the Group's services or reduce their usage, or if significant customers negotiate lower price terms, it could have a material adverse impact on the Group's business, financial condition and results of operations.

**The Group is exposed to changes in the creditworthiness and financial strength of its key customers**

Due to the significance of a small number of customers for the Group's revenues and the long-term nature of its customer contracts, the Group depends on its customers continued financial strength. Many of the Group's current and potential customers rely on capital raising activities to fund their operations and capital expenditures, and any significant downturn in the UK economy or disruption in the financial and credit markets could periodically make it more difficult and more expensive for them to raise capital. If, as a result of such an occurrence, the Group's customers or potential customers reduce their level of business activity, it could have a material adverse impact on demand for the Group's services. Furthermore, as a result of a prolonged economic downturn or otherwise, one or more of the Group's significant customers could experience financial difficulties or enter administration, which could result in uncollectable accounts receivable and have a material adverse impact on the Group's results of operations. For example, Thames Water has raised concerns over its ability to continue as a going concern. In the past, the Group has had customers that have entered administration or other insolvency procedures, although to date these administrations have not had a material adverse impact on the Junior Group's business or revenues. The Group's customers could also, if faced with significant funding or credit problems, fail to maintain pace with the rate of technological change or consumer preferences, or could lose licences critical to their businesses, in each case limiting their need for or ability to purchase the Group's services and materially harming the Junior Group's business and revenue. In addition, these factors could result in the loss of all or a portion of the Junior Group's anticipated revenues from certain significant customers, which could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

**If the Group is unable to provide uninterrupted or quality services, its reputation may be negatively affected, which could expose the Group to damage claims and loss of important contracts**

The Group depends on the efficient, uninterrupted and high-quality operation of its infrastructure and network systems. The Group's service offerings are often complex, depend on the successful integration of sophisticated in-house and third-party technology and services and must meet stringent quality requirements. In particular, the Group could incur contractual penalties if its services are not in line with agreed SLAs. For example, under the Undertakings, if terrestrial broadcast service levels are deemed to be so poor, on a continuous basis, as to constitute a persistent failure, the Group would be required to make repayment to the affected customer of up to 10%. This compensation is based on revenue from any one year under the affected contract or equivalent service credits which can be used to offset payment for services provided by the Group. In more limited instances, customers may terminate their contracts prior to the completion of contracts.

In addition to relying on the operation of its network systems, the Group also provides installation and construction services for passive equipment to key customers. If any of the Group's services, including installation services, has reliability or quality problems, its reputation could be damaged significantly and customers might be reluctant to employ its services, which could result in a decline in revenues or the loss of existing customers. Furthermore, should any of these requirements, the Undertakings, or SLAs be modified or updated in the future, there is no guarantee the Group would be able to satisfy them.

The Group has built a smart metering communication network as part of its 15-year contract signed in September 2013 with the DCC, a body licensed by statute and backed by the utility companies. The Group's smart metering communication network entered operational service throughout the UK following the completion of integration testing in November 2016. This system is a complex network and communications system. While it has undergone substantial testing by the Group and by the DCC, there remains a risk that not all defects have been found and therefore several defects may exist and remain in the production system. Any residual defects may require additional software development and lead to

service outages or other operational issues. In addition, the roll-out of the service to consumers' homes, the installation of which is carried out by energy companies, may be subject to delays, unforeseen technical or potential challenges, or cost overruns.

The Group has also contracted with Thames Water, Anglian Water, United Utilities, Portsmouth Water, and Northumbrian for the provision of smart metering fixed network infrastructure and associated water meters that enable the collection, management and transfer of metering data from households, which could also be subject to delays, cost overruns or adverse publicity. The successful execution of these contracts requires an efficient operation by the Group.

Should significant service disruptions occur in respect of these or other key projects, the Junior Group could be subject to liability claims or litigation for damages related to such disruptions and loss of contracts or failure to extend or renew such contracts. This may also result in additional regulatory scrutiny or interventions. If any such actions were to arise, regardless of its outcome, it could result in substantial expenses to the Junior Group, significantly divert the efforts of the Junior Group's technical and management personnel and disrupt or otherwise severely impact its relationships with current and potential customers.

In addition, if any of the Group's services has reliability or quality problems, its reputation could be damaged significantly and customers might be reluctant to buy its services, which could result in a decline in revenues, a loss of existing customers or the failure to attract new customers. As a result, a service disruption or any reliability or quality issues and their consequences could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

**The Group may not be able to effectively manage demand for its leased satellite transmission capacity**

The Group relies upon third-party satellite providers for the satellite capacity it sells to customers through its Managed Media Services. While the Group aims to secure flexible satellite capacity contracts, it may be adversely affected if the amount of satellite capacity purchased by it does not align with capacity demand from the Group's customers. For example, if the Group has incorrectly assessed the demand for satellite capacity, it may be unable to sell such excess capacity on commercially acceptable terms or at all. Conversely, if the Group fails to ensure sufficient satellite capacity to meet the customer requirements, it may be subject to breach of contract claims, loss of customer relationships and reputational damage.

In addition, if compression technology improves and becomes more prevalent, the Group's customers may not require as much capacity as anticipated, leading to a capacity surplus, and the Group may be unable to find additional customers to purchase the remaining capacity. If there is a significant consumer move towards IPTV or OTT, or the satellite TV platform operators change their distribution strategy from satellite to IP, demand for the Group's satellite capacity could be adversely affected. If the Group purchases either excess or insufficient satellite capacity, the resulting disparity could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

The Group needs to periodically renew its existing leases with satellite providers and enter into additional leases for capacity in order to provide continuity of service to its existing customers, enter into contracts with new customers and expand its transmission service offerings. There can be no assurance, however, that the Group will be able to maintain its capacity on acceptable terms as needed to provide services to its customers, which would in turn materially affect the Junior Group's business, financial condition, results of operations and cash flows.

**The Group's estimates, assumptions and judgments underlying its forward-looking performance measures, including its Projected EBITDA, may prove inaccurate, and as a result**

**the Group may be unable to successfully meet its expectations or achieve desired financial results**

Various estimates are presented in this Offering Memorandum relating to the Junior Group's forward-looking performance measures. The information in respect of the Junior Group's forward-looking performance measures, including its Projected EBITDA, represent the Junior Group's estimates only and should not be relied upon to predict or forecast actual medium and longer-term results or future events. Such estimates and beliefs reflect several assumptions relating to future revenues, EBITDA, capital expenditures and working capital, any of which may not be borne out due to both known and unforeseen risks, uncertainties and other important factors beyond the control of the Junior Group that could affect actual performance. Such forecasts, assumptions, estimates and valuations carry an inherent degree of uncertainty and may not take into account all relevant considerations. If the assumptions upon which the estimated data is based prove to be inaccurate, this may indicate lower than expected growth rates or a less favourable position of the Junior Group in the market, which in turn may have a material adverse impact on the Junior Group's actual results of operations and its business and financial condition in the medium and longer term.

**The Group relies on third parties for key equipment, technology, site access and services, and the failure of third parties to properly provide services, products or access could adversely affect the quality of the services the Group offers**

The Group depends upon third-party suppliers to provide key equipment, technology, services and access to sites or other real estate leased by the Group for the provision of services, certain of which is only available from a limited number of third parties. The Group does not have operational or financial control over its third-party suppliers. If these third parties fail to provide equipment, technology, services or access to sites or other real estate leased by the Group for the provision of services on a timely basis, the Group may be unable to provide services to its customers until an alternative source can be found, which may not be available on favourable terms. This could result, for example, in programme slippage and/or cause the Group to fail to successfully deliver under its contracts, causing failures to meet SLAs, undertakings, regulatory scrutiny or other interventions, reputational damage, damaging customer relationships, and an increased risk of contractual damages or non-renewal of key contracts or licences.

For example, the Group relies on two critical suppliers for the provision of smart metering technology, services and intellectual property. Sensus provides the radio system (FlexNet), the transceiver communications equipment at each site, the network control software and for water customer meters and radio endpoints. EDMI provides the communications hub devices for each home for electricity and gas metering. If either or both companies cease trading, the Group may be unable to find suitable replacement suppliers on favourable terms or at all, and the Group may be unable to execute its smart metering contracts. The Group's smart energy metering contract is also dependent on the performance of the DCC and its other suppliers (the most important being Telefónica (now part of VM-O2) and CGI). If the DCC, Telefónica and/or CGI materially fail to meet their service obligations, the smart metering service may be disrupted or the entire programme (including the portion delivered by the Group) may be cancelled or suspended while improvements are implemented or replacements procured.

In addition, as certain of the markets in which the Group competes gain new entrants, it is possible that new or existing competitors of the Group may compete for similar services from suppliers that the Group uses and may offer more favourable terms to suppliers than the Group. Additionally, it is possible that current vendors of services could become competitors. Either of these occurrences could result in upward pricing pressure on these supply arrangements, as a result of which the Group may be unable to renew its contracts at all or at the same rate as in the past. If any of these contracts are terminated or the Group is unable to renew them on favourable terms or negotiate agreements for replacement services with other providers at comparable rates, this could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

### The Group's ability to operate its business effectively could be impaired if it fails to attract and retain high quality personnel

The Group's ability to operate its business and implement its strategies depends, in part, on the continued contributions of its executive officers and other key employees. The loss of any of the Group's key senior executives could have an adverse effect on its business unless and until a suitable replacement is found. There is a small pool of executives in the market with the requisite experience and skills to serve in the Junior Group's senior management positions, and the Junior Group may be unable to identify or employ qualified executives on acceptable terms.

In addition, the Group believes that its future success will depend on its continued ability to attract and retain highly skilled personnel with experience in its key business areas. These key employees have knowledge and skills that are critical to the Group's business, such as knowledge of key customer contracts, experience and engineering skills and know-how with the technologies that the Group uses, as well as familiarity with the Group's financial and contractual arrangements, and the Group is reliant on the retention or successful succession of such employees. Should the Group not be able to retain such employees or ensure a successful transfer of knowledge to new employees, customer relationships or programme delivery may be damaged due to the loss of people with critical knowledge or skills. Competition for personnel with the requisite skill level and background is intense and the Group may not be able to successfully recruit, train or retain qualified personnel with these or other key skills. Should it fail to do so, or were the Group to lose certain of its key personnel, its business and growth prospects may be harmed and it could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

### The Group may be adversely impacted by work stoppages and other labour matters

As of 31 December 2024, approximately 37% of the Group's employees were covered by collective bargaining agreements, including through the Broadcasting, Entertainment, Communications and Theatre Union ("**BECTU**"), the UK's media and entertainment trade union. Unionisation through BECTU requires consultation with BECTU for certain key labour-related business and administrative decisions, including restructuring. While the Group strives to maintain good relationships with its employees and their unions and has not had any work stoppages in many years, there can be no assurance that such relationships will continue to be cooperative or that it will not be affected by strikes or other types of conflict with labour unions and employees. The Group may not be able to renew its collective bargaining agreements on satisfactory terms or at all. This could result in strikes or work stoppages, which could impair the Group's ability to deliver the services it provides and result in a substantial loss of revenue. The terms of existing or renewed collective bargaining agreements could also significantly increase the Group's costs or negatively affect the Group's ability to increase operational efficiency.

In addition, many of the Group's customers and suppliers also have unionised workforces. Work stoppages or slowdowns experienced by the Group's customers could result in lower demand for its services and products. If either the Group or one or more of its customers or suppliers experience a work stoppage, such work stoppage could have a material adverse impact on the Group's business, financial condition and results of operations.

### The Group's infrastructure assets may be affected by natural disasters and other unforeseen events or damage

As the Group is a large owner and operator of infrastructure, the Group's sites, satellite uplink stations and other facilities are subject to risks associated with natural disasters and physical risks of climate change and other catastrophic events, such as ice and wind storms, tornadoes, floods, fires, hurricanes, earthquakes, power loss, telecommunications failures, network software flaws and acts of vandalism, arson, terrorism, or war, theft and fuel shortages as well as other unforeseen events or damage.

Any damage or destruction to the Group's sites or other facilities, including major office or administrative facilities, as a result of these or other events would impact its ability to provide services to its customers, and may lead to an interruption or reduction in the quality of services. In the Media and Broadcast commercial function, the Group's DTT and radio masts, towers and other equipment may be affected by natural disasters and other catastrophic events. If the Group's Media and Broadcast infrastructure is damaged, any disruption or reliability or quality issues could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

The Group also recognises the increasing impact of extreme climate events on its long-term strategic goals, such as the ambition to reach carbon net neutrality by 2031. Recent years have seen more frequent instances of extreme weather, which affect different parts of the business in different ways. For instance, the DTT network comprises over c.1,200 towers situated on hilltops and high ground, making them relatively less susceptible to flooding or coastal erosion. In contrast, the Group's smart utilities infrastructure - particularly water utilities - is more vulnerable to flooding given the subterranean nature of most assets.

New climate risks are also emerging in line with the ongoing climate emergency. One key area of concern is heat resilience, the increased incidence of wildfires, and extreme storms. The Group is actively engaged in detailed assessments to understand these risks and identify appropriate mitigation strategies. An example of this was Storm Eowyn in January 2025, which brought record-breaking hurricane-force winds across the UK and Ireland, causing widespread disruption. In response, the Group made a conscious decision not to deploy engineers to affected sites during the peak of the storm, prioritising safety over immediate service restoration. Although this resulted in some customer service credits due to outages, it underscored the Group's commitment to employee wellbeing in the face of unprecedented weather threats.

In the SUN commercial function, the Group's sites may be damaged because of natural disasters or other unforeseen events, which could lead to service disruption or an inability to deliver on the Group's contracts. For example, if the Group's towers fail or collapse, or if the Group's smart metering data centres are significantly damaged, the Group may be unable to provide services to its customers and may suffer reputational damage. For the Satellite and Managed Media Services, the satellites on which the Group relies may be damaged by unforeseen events or otherwise fail, which could lead to a disruption in services and the subsequent loss of reputation, customers or profits. Because the majority of the Group's satellite contracts are on a non-restorable basis, the Group does not have any rights to consequential damages if a satellite is damaged by an unforeseen event. Infrastructure in each of the aforementioned segments may be damaged or worn out over time by physical climate change risks, and these risks increase in severity under a scenario where global policies to reduce global emissions are delayed or less effective.

The Group maintains insurance coverage for (i) natural disasters, (ii) the financial impact of physical risks which cover claims on asset loss and damage and potential service impacts, and (iii) other catastrophic events, and the Group has in place disaster recovery plans, it may not have adequate insurance to cover all the associated costs of repair or reconstruction for a major future event. Further, the Group carries business interruption insurance that may cover the increased cost of operational service but would not cover lost revenues. If the Group is unable to provide services to its customers as a result of damage to its sites, it could lead to customer loss. Additionally, if the loss of service is not deemed due to an unforeseeable force majeure event, the Group could be held responsible for failing to satisfy service obligations under its transmission contracts, which could result in service credit penalties or suspension of normal fees and annual charges. As a result of such an impact on the Group's ability to provide services or customers' continued use of such services, a natural disaster or other unforeseen events could result in a material adverse impact on the Junior Group's business, financial condition and results of operations.

By way of example, in 2021, one of the Group's masts at its Bilsdale site in the North of England caught fire resulting in damage to the mast and temporary disruption to services to customers, which exposed the Group to service credit claims as well as restoration costs. The Group submitted a claim to its insurance

provider in respect of its liability to such penalties and costs and received final stage payment in August 2023, bringing the total insurance settlement to £41 million. No assurance can be given that such penalties and costs that might arise from other potential incidents, would not have a material adverse impact on the Junior Group's business, financial condition and results of operations.

**The Group is subject to UK and global economic conditions**

Negative developments in the macro-economic environment in which the Group operates could adversely impact the Junior Group's business, financial condition and results of operations. The Junior Group's performance depends to a certain extent on several macro-economic factors outside its control which impact the Group directly and, more broadly, consumer and commercial spending, including political, financial and economic conditions, particularly in the UK. Factors which impact consumers' disposable income include, among other things, UK gross domestic product growth, unemployment rates, consumer and business confidence, the availability and cost of credit, interest rates, taxation, regulatory changes, oil and utility prices and security concerns.

As at the date of this Offering Memorandum, the UK and much of the world is enduring inflation pressure and cost of living challenges, termed by many as the cost of living crisis. In the UK, inflation began to rise in 2021. A combination of pent-up demand and global supply chain shortages as economies reopened after the relaxation of Covid-19 restrictions were key drivers in pushing up inflation. Since February 2022, Russia's invasion of Ukraine, which has led to sanctions and escalation and uncertainty in wholesale commodity and energy prices, has also been a driver. Many central banks and monetary authorities have started to increase interest rates to, in part, bring inflation under control. See the risk factor entitled "*The Group is exposed to movements in inflation and energy prices*".

Any significant slowdown in the UK economy could lead to deterioration in consumer confidence and commercial spending, which could reduce the level of demand for the Group's services. There can be no assurance as to levels of future UK economic growth or the lasting economic impact of Brexit, which is a key factor affecting the demand for certain of the Group's services. For example, the growth of demand for digital broadcast media and advertised products and services are tied to UK consumer discretionary spending. Mobile devices, telecom services, television, other products and services, and products and services advertised over these media may be viewed by consumers as conveniences rather than necessities. During times of economic uncertainty, consumers are more likely to curtail such purchases and expenses. Furthermore, a downturn in the UK economy could reduce commercial spending, which could significantly impact the Group's DTT and DTH customers, where a significant percentage of revenue comes from TV advertising spend, and thereby impact the DTT and DTH customers' demand for the Group's broadcast capacity. As a result, the Junior Group's business may be sensitive to changes in general economic conditions that impact discretionary consumer spending.

In addition, due to the current economic environment in the UK, there is a risk that third parties may face financial difficulties or become insolvent. The Group's significant customers or other counterparties could face limitations on access to credit or be able to access credit only on unfavourable terms, which could curtail their expansion or growth plans and have a material adverse impact on the Junior Group's business, financial condition and results of operations.

Each of these factors could have an adverse effect on the Junior Group's business, financial condition and results of operations.

**The Group is exposed to movements in inflation and energy prices**

For example, the Group has a direct exposure to inflation through inflation-linked revenue contracts and inflation-linked swaps and an indirect exposure through its costs base including (without limitation) salaries. The Group's inflation-linked revenue contracts partially provide a natural hedge to inflation. However, its exposure to fluctuations in inflation creates uncertainty and creates risk for the Group's operations which it cannot accurately predict which could lead to an adverse impact on its business, financial condition and

results of operations. The Group seeks to address this risk by linking an amount of its financing to inflation through inflation-linked swaps. Such swaps are linked to RPI and so for as long as those swaps exist, the Group's accretion or debt service payments increase as RPI increases.

Also, the Group, as a major purchaser of energy primarily to support its Media and Broadcast business, has exposure to energy prices and is therefore subject to the risk of increased energy costs which, as at the date of this Offering Memorandum, continue to be volatile and uncertain. Most of the Group's energy costs are passed on to its customers which alone and/or combined with other macroeconomic factors could adversely impact the financial position of such customers and result in increases in non-recoverability of customer debts and the financial position of the Junior Group.

To manage its exposure to wholesale energy prices, the Group intends to lock in forward purchases of energy to meet its energy requirements into 2026 and 2027. At present, the Group has locked in fixed energy prices to cover 100% of the Group's energy demand until September 2025 and has locked in a sliding percentage of the Group's energy demand between October 2025 and March 2026. As existing forward purchase arrangements expire, the Junior Group will become gradually more exposed to energy price fluctuations and volatility which could affect its business, financial condition and results of operations.

**The Group is subject to stringent regulation relating to environmental protection and health and safety, and if the Group is found to have not been in compliance with any portion of such applicable rules, the Group could be exposed to fines, increased costs, or sanctions, or could be liable for damages to third parties**

The Group is subject to comprehensive regulation in the UK and at the EU level aimed at the protection of the environment, health and safety. The Group owns and operates on sites situated in ecologically sensitive areas including sites of special scientific interest. In certain cases, the construction of passive infrastructures may affect the landscape and the surrounding natural habitat, thereby causing changes to the relevant flora and fauna. The Group may also face liability related to the presence of lead paint on structures, which may affect its older sites and larger structures. Inhalation of lead paint particles may produce health problems, such as lead poisoning, in workers or people in the vicinity of these structures. There is a risk that the actual or perceived health risk associated with structures containing lead paint could lead to litigation or hinder the operation of existing infrastructure. In addition, the Group may face risks associated with the aboveground bulk storage of fuel for back-up diesel generators, which are present at many of its sites. Leaks or spills may cause soil or groundwater contamination, and sites may have areas of ground contamination due to historical use. Additionally, there is a risk of asbestos exposure, as asbestos could be present in buildings constructed before 2000. There are approximately 2,096 sites where the Group has "Duty Holder" liability under the Control of Asbestos Regulations. The Group discharges its duties under these Regulations by identifying the asbestos, maintaining information on the location and type of asbestos, monitoring the condition of the asbestos sites, and removing the asbestos where practical when building maintenance or refurbishment is undertaken. The potential total cost of remediation of contaminated sites is expected to be less than £1 million in aggregate. The Group may also face risks associated with working at height, working with electricity and with perceived or actual harm caused by electro-magnetic radiation.

While the Group intends to comply with applicable environmental legislation and regulatory requirements and believes that it is materially in compliance with these as at the date of this Offering Memorandum, it is possible that such compliance may prove to be costly, or that the Group may fail to fully comply with applicable regulations. In addition to potential liability for environmental clean-up, the Group may become subject to monetary fines and penalties for violation of applicable environmental laws, regulations or administrative orders. This may also result in closure or temporary suspension at certain sites or adverse restrictions on the Group's operations. The Group may also, in the future, become involved in proceedings with various environmental authorities that may require it to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. In addition,

third parties may sue the Group for damages and costs resulting from environmental contamination emanating from its properties, or for damages arising while on the Group's properties.

Legislation currently in force in the UK and in particular the technical instructions that directly and/or indirectly apply to the Group's activities, are based, inter alia, on currently available scientific knowledge regarding the effects of exposure to electrical, magnetic and electromagnetic fields ("**EMF**"). If the current regulatory framework is amended, it is possible that all the technical requirements applicable to the Group's activities will require an infrastructure upgrade in order to continue to operate in compliance with the applicable laws and regulations, thereby causing substantial and unexpected costs.

The potential connection between electromagnetic radiation and certain negative health effects has been the subject of a substantial study by the scientific community in recent years. If a scientific study or court decision resulted in a finding that electromagnetic radiation poses health risks to consumers, it could negatively impact the market for wireless services, as well as the Group's customers, and it could have a material adverse impact on the Junior Group's business, financial condition and results of operations. In recent years, numerous health-related lawsuits have been filed against wireless carriers and wireless device manufacturers in several countries. The Group's existing insurance coverage may not be sufficient to cover all or a substantial portion of its liability for the potential harm from electromagnetic radiation.

If the Group were to have not been in compliance with any portion of such applicable rules, the Group could be exposed to fines, be forced to face costs, and/or be liable for damages to third parties, all of which could be substantial. In addition, the Group could be found liable for damages related to alleged negative health effects arising out of exposure to EMF, which may occur regardless of compliance with the emission levels permitted by the then-applicable laws. Moreover, the Group could be subject to sanctions such as restrictions on its activities, the temporary shutdown of certain infrastructure sites or facilities, the obligation to move sites to other locations or various other restrictions on the Group's operations as a result of such non-compliance.

In certain areas, local associations or groups may oppose the construction or operation of the Group's infrastructure as a result of alleged negative effects on the relevant area and the landscape. Any such challenge filed with the competent authorities may prevent or delay the Group's development projects.

The occurrence of any of the events described above could have a material adverse impact on the Junior Group's business, financial condition, results of operations or prospects.

### The Group must comply with additional security-related regulations

The Group is subject to several requirements related to the security of communication networks enacted in recent years. The three arguably key security instruments (the "**Security Instruments**") apply in common (as opposed to being standalone requirements), with obligations cascading from one instrument to the next as follows:

(a) the Telecommunications (Security) Act 2021 amends the Communications Act 2003 (the "**TSA**"), to add overarching security duties;

(b) the *Electronic Communications (Security Measures) Regulations 2022* (the "**Regulations**") sets out specific measures to be taken to meet the overarching duties under the TSA; and

(c) the *Telecommunications Security Code of Practice* (the "**Code of Practice**") sets out the Government's preferred approach to demonstrating compliance with the overarching duties in the TSA and specific measures in the Regulations.

The Group has been considering the various relevant networks and services that it operates and is implementing a programme to meet the measures required by the Code of Practice. The Group previously engaged with Ofcom regarding the applicability of the Security Instruments as they have been implemented. Ofcom has issued two Information Requests as part of its TSA implementation timetable

which the Group has responded to. A third information request is expected in the coming months and the Group will respond to this based on the timetable set out by Ofcom.

The Group continues to deliver work at pace to meet the requirements established by the TSA to achieve compliance with the Security Instruments. To date, no incidents have occurred which undermine the Group's ongoing improvement work. However, there remains a risk that if the Group has a cyber-attack on its network and services, that, in addition to the direct impact on the Group and its customers, a follow up investigation by Ofcom may find the Group as having failed to meet the requirements of the TSA. The Group may be subject to regulatory action or financial penalties, which could also result in adverse publicity or reputational damage and future business opportunities.

### The Group must comply with data protection regulations

The Group is subject to regulation regarding the use of personal data. The Group processes personal data of its customers, suppliers and employees as part of its business, and therefore must comply with data protection laws including the Data Protection Act 2018 and the UK General Data Protection Regulation ("**Data Protection Laws**"), If the Group breaches these laws, it could result in significant financial penalties (up to 4% of the annual worldwide turnover of company groups). The Group seeks to ensure that procedures are in place to ensure compliance with Data Protection Laws by it, its employees, and any third-party service providers, and implements security measures to help prevent cyber-theft. Notwithstanding such efforts, the Group is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of the Data Protection Laws.

If the Group or any of the third-party service providers on which it relies fail to store or transmit personal data in a secure manner, or if any loss or wrongful processing of personal data were otherwise to occur, the Group could be subject to investigative and enforcement action by relevant regulatory authorities, could be subject to claims or complaints from the person to whom the data relates, or could face liability under data protection laws. Any of these events could also result in reputational damage, which could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

Although the Group has policies and procedures in place to comply with Data Protection Laws, the Group cannot guarantee that it will be fully compliant with its obligations under the Data Protection Laws, and therefore the Group may be subject to regulatory action or financial penalties, which could also result in adverse publicity or reputational damage.

### The Group must comply with fraud prevention, anti-money laundering, anti-bribery and sanctions regulations

The Group is subject to various legal and regulatory requirements and risks in the countries in which it has facilities or operations, involving compliance with antitrust, anti-money laundering, anti-bribery and anti-corruption laws and regulations, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010 and sanctions imposed by international organisations or individual nations. Where applicable, these laws restrict or prohibit transactions with certain countries and with certain companies and individuals identified on lists maintained by the US government, the EU, various EU Member States and other governments.

Failure to prevent fraud regulations are due to be introduced in the UK in 2025 and the Group is reviewing its policies and procedures for compliance purposes.

Although the Group believes that its policies and procedures are sufficient to comply with applicable anti-money laundering, anti-bribery and sanctions rules and regulations (and will cover fraud prevention ahead of the September 2025 deadline), it cannot guarantee that such policies completely prevent situations of fraud, money laundering or bribery, including actions by the Group's employees, for which the Group might be held responsible. Any of such events may have severe consequences, including sanctions, fines and

reputational consequences, which could have a material adverse impact on the Junior Group's business, financial condition, and results of operations.

### The Group may be unable to deliver on its cost savings programme or achieve the expected efficiencies

The Group continues to implement a cost savings programme aimed at achieving efficiencies and reducing costs by optimising the Junior Group's cost base and driving margin improvements. Although significant cost savings and margin improvements have been achieved since 2020 by reducing overhead and consolidating business units into a more efficient structure, among other initiatives, and management expects to continue to reduce costs improve margins in the future, any such initiatives may fail to deliver the intended savings or margin improvements going forward. Following the sale of the Telecoms business in 2020, the Group moved from a divisional operating model to a functional design in 2021 with a view to streamlining the Group operating model and costs around more succinct lines of business as well implementing an efficiency programme. The efficiencies and other financial benefits expected from these initiatives rely on certain assumptions which could prove incorrect. There can be no guarantee that the Junior Group will achieve its cost savings or margin improvement targets, and the Junior Group's failure to do so could in turn materially affect its business, financial condition, results of operations and cash flows.

### Several factors outside of the Group's control, such as inclement weather or an outbreak of contagious disease, may negatively impact employee productivity or restrict the Group's ability to access its sites for critical maintenance or other purposes

Various incidents beyond the Group's control, such as infectious diseases and subsequent government-imposed travel restrictions or inclement weather, may negatively impact employee productivity or restrict the ability of the Group's employees to reach critical sites or offices. For example, outbreaks of contagious diseases could adversely affect the UK economy and could lead to measures, including government-enforced quarantines or travel limitations that could restrict the Group's access to its infrastructure sites, which could impact the Group's ability to adequately maintain its operations. In addition, inclement weather, such as heavy snowfall, may obstruct access to sites. Such occurrences could also prevent access to the Group's offices or other critical facilities. If the Group cannot access its sites or other facilities, performance of maintenance or other essential business tasks could be impaired, which could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

### The Group is exposed to risks in connection with funding of its pension commitments

The Group has defined benefit obligations in the UK pursuant to the Group's previous defined benefits plan, which is now closed to future accrual from 31 January 2016. Although the Group switched to a defined contribution arrangement (whereby the Group provides benefits to current employees through a defined contribution, shifting the investment risk on the employees with limited financial risks on the Group), the Group still has obligations under the previous plan. However, as of March 2024 the plan has been fully insured by PIC (Pensions Insurance Company) following a full buy in of the plan and therefore there should be no future liabilities falling to be met by the Group.

The Group's net pension obligations (consisting of pension obligations less pension plan assets), according to the latest triennial actuarial valuation for 30 June 2023, amounted to a net surplus of £12.5 million on the technical provisions assumptions.

Following the Group's pension plan undertaking a full buy-in in April 2024 the Group's externally invested pension plan assets have principally been transferred to Pension Insurance Corporation plc ("**PIC**"), in exchange for an income stream to match the liabilities due from the pension plan as they arise. The buy-in has transferred materially all actuarial (including longevity) and investment risks from the pension plan to PIC.

The Group's potential liability for distributing content broadcast by its customers over its network is uncertain. As a carrier of broadcast content, the Group could become liable for such content based on obscenity, defamation, negligence, copyright infringement, trademark infringement or other grounds

The Group's standard position reflected in contractual documentation provides that its customers are fully responsible for the content of their programming, for ensuring that the content conforms to all applicable governmental regulations and for obtaining any local regulatory approvals relating to their broadcasts. This documentation further provides that the Group is not liable if the satellite fleet operator requires it to suspend or terminate service for any reason relating to content. The Group's customers are generally required to indemnify it for any financial costs of governmental or third-party proceedings resulting from their content. Although the Group attempts to reduce its liability through contractual indemnification from its customers and disclaimers, there is no guarantee that the Group would be successful in protecting itself against this type of liability. Even if the Group were successful in such litigation, litigation would divert management time and resources, could be costly and is likely to generate negative publicity for the Group's business. The Group may also be forced to implement expensive measures to alter the way its services are provided to avoid any further liability, which in turn could have a material adverse impact on the Junior Group's business, financial condition and results of operations.

### Regulatory prohibition or limitation of the disposal of certain of the Group's central assets may reduce the value received or available for debtholders in an enforcement situation

The Group's ability to transfer or dispose of certain key assets is prevented or limited by regulation. Certain of the Group's Media and Broadcast assets are subject to the Undertakings, which, among other requirements, prohibit the Group from transferring these assets or control over them outside of the Group without the prior written consent of the Competition and Markets Authority. In addition, Ofcom's consent is required to transfer the Group's DTT and DAB Multiplex licences and Ofcom has the discretion to revoke these licences should there be a change of control of the licensor and Ofcom would not have granted the licence in the new circumstances. Because of these restrictions on its ability to transfer these assets, the Group may not be able to sell or otherwise dispose of them. Subsequently, the Group's ability to obtain full value, or any value at all, for these assets could be limited should the Group enter administration or otherwise be forced to liquidate its assets.

### The Group is exposed to the creditworthiness of third-party financial institutions

The creditworthiness of many financial institutions may be closely interrelated as a result of credit, derivative, trading, clearing or other relationships among the institutions. As a result, concerns about, or a default or threatened defaults by, one (or more) institution could lead to significant market-wide liquidity and credit problems and/or losses or defaults by other institutions. This may adversely affect the financial institutions, such as banks and insurance providers, with which the Group interacts on a regular basis. As a result, the Group's ability to raise needed funds or access liquidity from such financial institutions may be adversely affected and this could have a material effect on the Issuer's ability to satisfy on a full and timely basis its obligations under the Notes.

## Financing Risks

### The Group's hedging programme may not adequately mitigate its exposure to fluctuations in interest rates, foreign exchanges or inflation

In order to address interest rate risks, inflation rate risks and/or currency risks the Senior Issuer and the Senior Borrower operate a hedging programme in accordance with the hedging policy of the Senior Issuer and the Senior Borrower which includes, amongst other things, restriction on their present or future interest rate, foreign exchanges or inflation exposure. The Senior Borrower or the Senior Issuer are subject to the creditworthiness of, and in certain circumstances early termination of the hedging arrangements by, either the Borrower Hedge Counterparties or the Issuer Hedge Counterparties (as defined in the Common Terms

Agreement), respectively. Neither the Senior Issuer or the Senior Borrower nor any Issuer Hedge Counterparty or Borrower Hedge Counterparty shall have any obligation to take any action (or to cease to take any action) if any such Issuer Hedge Counterparty or Borrower Hedge Counterparty (as applicable) subsequently ceases to satisfy the Minimum Rating Agency Requirements (as defined in the Common Terms Agreement) which applied on the date of entry into the relevant Senior Issuer Hedge or Senior Borrower Hedge (as applicable). If a Borrower Hedge Counterparty's or Issuer Hedge Counterparty's credit-worthiness were to deteriorate to such an extent that they went into insolvency proceedings, this could have an impact on the amounts received by the Issuer under the Intercompany Loans, which could then in turn materially adversely affect the Issuer's ability to make full and timely payments on the Notes. The Issuer may not be able to replace such hedging arrangement if it is unable to recover any closed-out amounts due to it under the relevant hedging agreement.

Any early termination of a hedging agreement could also have an impact on the amounts received by the Issuer under the Intercompany Loans, which could then in turn materially adversely affect the Issuer's ability to repay the Notes, for example if such early termination crystalises a large payment obligation for the Senior Issuer. The Senior Issuer or the Senior Borrower could find itself over-/under-hedged which could lead to financial stress, as the Senior Issuer will then be exposed to interest rate inflation and/or currency volatility, which could also in turn materially adversely affect the Issuer's ability to repay the Notes.

**The Junior Group's significant debt obligations could limit its flexibility in operating its business and expose it to additional risks**

The Junior Group is highly leveraged and has significant debt service obligations. As of 31 December 2024, the Junior Group's aggregate net senior and junior borrowings (total gross debt net of cash balances) were £1,455 million and, after giving *pro forma* effect to the offering of the Notes hereby and the use of proceeds, the Junior Group's net senior and junior borrowings would have been £1,483 million. In addition, the Junior Group may incur further indebtedness under the Senior Transaction Documents.

The Junior Group's ability to make scheduled payments on time and to refinance its debt and to fund future operations and capital expenditures will depend on the Junior Group's future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond the Junior Group's control, as well as the other factors discussed in this "*Risk Factors*" section and elsewhere in this Offering Memorandum. The Junior Group cannot assure investors that its business will generate sufficient cash flows from operations, that currently anticipated cost savings, revenue and earnings growth and operating improvements will be realised or that future debt and equity financing will be available to the Junior Group in an amount sufficient to enable it to pay the principal, premium, if any, and interest on the Junior Group's indebtedness, including the Notes and the Senior Notes, and the Junior Group's other indebtedness and hedging or to fund its other liquidity needs. The Junior Group's continued access to debt financing as a source of funding for its operations and for refinancing maturing debt is subject to many factors, many of which are outside the Junior Group's control. For example, interest rate fluctuations, the current inflationary environment, rising energy prices which are increasing the cost of distributing the Junior Group's services, a general economic downturn, social unrest or changes in the UK regulatory environment or broadcasting industry structure (such as technological change or reduction in spectrum available) which weaken the strength of the Junior Group's competitive position or prospects could increase the Junior Group's cost of borrowing or restrict the Junior Group's ability to obtain debt financing. In addition, disruptions in global capital and credit markets, as a result of uncertainty or failures of significant financial institutions, along with major political disruptions such as wars (including the conflict between Russia and Ukraine) which has contributed to the rapid rise in energy prices, are all factors could adversely affect the Junior Group's access to financing. The Junior Group cannot guarantee that it will be able to arrange financing on acceptable terms, if at all. The inability of the Junior Group to obtain financing from banks and other financial institutions or from capital markets would have a material adverse effect on its business, financial condition and results of operations.

The Junior Group's high degree of leverage may have important consequences for investors in the Notes. For example, it could:

- require the Junior Group to dedicate a substantial portion of its cash flow from operations to required payments on indebtedness under the Senior Transaction Documents and the Transaction Documents, thereby reducing the availability of cash flow for working capital, capital expenditures and other general corporate activities;
- subject to the covenants under the Common Terms Agreement, restrict the Junior Group's ability to make certain strategic acquisitions, exploit new business opportunities or dispose of certain assets;
- subject to the covenants under the Common Terms Agreement, restrict its ability to obtain additional financing, or draw on existing facilities, for working capital, capital expenditures and other general corporate activities;
- subject to the covenants under the Common Terms Agreement relating to the Junior Group's debt, limit its flexibility in planning for, or reacting in planning for, or reacting to, changes in its business and the industry in which it operates;
- require the Junior Group, subject to the covenants under the Common Terms Agreement, to sell or otherwise transfer assets used in its business in order to fund its debt service obligations;
- increase the Junior Group's cost of borrowing;
- make the Junior Group more vulnerable than its competitors to the impact of economic downturns and adverse developments in its business; and
- place the Junior Group at a competitive disadvantage against any less leveraged competitors, including forcing the Junior Group to forego certain business opportunities.

Moreover, if the Junior Group's future cash flows from operations and other capital resources are insufficient to pay its obligations as they mature, to fund its liquidity needs or enable the Junior Group to meet its financial covenants, the Junior Group may be forced to:

- reduce or delay its business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of its debt, including the Notes, on or before maturity.

The Junior Group cannot guarantee that it would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. Any failure to make payments of interest and principal on the Junior Group's outstanding indebtedness or meet financial covenants under the Liquidity Facility Agreement on a timely basis would likely result in a reduction of the credit rating of the Notes, which could also harm the Junior Group's ability to incur additional indebtedness or refinance existing debt. In addition, any refinancing of the Junior Group's debt could be at higher interest rates and may require the Junior Group to comply with more onerous covenants, which could further restrict the Junior Group's business operations. There can be no assurances that any assets which the Junior Group could be required to dispose of can be sold or that, if sold, the timing of such sale and the amount of proceeds realised from such sale will be acceptable.

The occurrence of any of these events could have a material adverse effect on the Junior Group's business, financial condition and results of operations.

**The Obligors may incur additional indebtedness, including incorporating or acquiring subsidiaries and incurring debt at such subsidiaries, which could increase their risk exposure from debt and could decrease the Noteholders' share in any proceeds.**

Subject to restrictions in the Conditions and the Liquidity Facility Agreement, the Obligors may incur additional indebtedness, which could increase the risks associated with the Junior Group's already substantial indebtedness. The Obligors have the ability to borrow up to £45 million of committed financing under the Liquidity Facility, and any such borrowings will be senior secured indebtedness, and will receive proceeds from an enforcement action on the Collateral prior to the Notes.

The Obligors may incur substantial additional indebtedness in the future, including under the Fixed Charge Coverage Ratio under the Notes. The Obligors may also secure such indebtedness so long as the Historic Senior Secured Net Debt to EBITDA Ratio is no more than 4.6 to 1.0. The Obligors may incorporate or acquire subsidiaries in the future and such subsidiaries may also be able to incur indebtedness, further increasing the risks associated with the Junior Group's substantial leverage. Any indebtedness that is incurred at such subsidiary level would be structurally senior to the Notes, as such subsidiaries do not guarantee the Notes. Additionally, the Obligors could raise additional debt that could be secured or could mature prior to the Notes. Although the Conditions and Liquidity Facility Agreement will contain restrictions governing the incurrence of additional indebtedness, the restrictions are subject to a number of qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. In addition, the Conditions and the Liquidity Facility Agreement will not prevent the Obligors from incurring obligations that do not constitute indebtedness under those agreements.

**The Junior Group will need to refinance some of its debt as it matures and may need additional financing to cover capital expenditure and certain other expenses. The Junior Group can provide no assurance that such financing will be readily available or on attractive or historically comparable terms or that the cost of such financing will not have a material adverse effect on the Junior Group's business, financial condition and results of operations**

The Junior Group will need to raise further debt from time to time in order, among other things, to:

(a) finance future capital expenditure; and

(b) enable it to refinance existing senior debt, junior debt and other debt.

See *"—Business and Industry Risks— The Group is exposed to certain risks in respect of the development, expansion and maintenance of its Media and Broadcast and SUN infrastructure, including the need for on-going capital expenditure, which could have a material adverse impact on its business, financial condition and results of operations*".

There can be no assurance that the Junior Group will be able to raise future finance on terms that are economically viable or at all.

**The Junior Group's hedging contracts expose the Junior Group to liabilities that are volatile and may crystallise into cash obligations in the future**

The Junior Group holds interest rate swaps (with an aggregate notional amount of £0.2 billion as at 31 December 2024), which also includes the fixed/floating overlay swaps with a notional amount of approximately £0.4 billion, as described in "*Swaps Portfolio Details*") and inflation-linked swaps (with an aggregate notional amount of £0.7 billion as at 31 December 2024) to hedge its interest rate, and/or inflation rate exposure. The Junior Group maintains a hedging policy to manage interest rate and foreign exchange risk and to ensure the certainty of future interest cash flows in order to service and repay its debt. This involves entering into derivative contracts that may require the Junior Group to fund cash payments in connection with the early termination of any such contracts. Such early termination payments are principally likely to arise if the Senior Borrower or the Senior Issuer (as applicable) fails to make timely

payments of amounts due under the relevant swap(s), upon the insolvency of a member of the Junior Group or acceleration of the obligations under the Senior Financing, or the debt to which such swap relates is prepaid, repaid or redeemed early, or the hedge counterparty defaults in respect of its obligations under the relevant swap, and so are contingent in nature. The extent of these liabilities depends on financial market conditions and expectations of future rate movements at the time of early termination that are beyond the Junior Group's control (i.e. the fair value of the relevant swap(s) at the time of determination). The Junior Group has disclosed in its financial results for the period ending 31 December 2024, a fair value of £157 million for the Junior Group's IRS and ILS (as shown in Note 21 of the Junior Group's consolidated financial statements for the twelve months ended 31 December 2024). This comprised £12.1 million in-the-money position for the IRS and £166.1 million out of the money for the ILS. As at 31 December 2024, the present value of adding one basis point ("**PV01**") to the rate payable was estimated by the Junior Group to be £0.3 million for ILS and less than £0.1 million for IRS. The PV01 represents the present value of adding one basis point to the fixed rate payable by the Senior Borrower, and is a function of interest rates and time (which means that the PV01 will vary from time to time). The Junior Group's ability to fund these contingent liabilities will depend on the liquidity of the Junior Group's assets and access to capital at the time, and the need to fund these contingent liabilities could adversely impact the Group's financial condition. For further details see the financial statements incorporated by reference, and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Off Balance Sheet Arrangements"*.

If the Junior Group is affected, this will affect the Issuer's liquidity and could have a material adverse effect on the ability of the Issuer to repay the Notes.

As a result, the impact of this risk on the Junior Group's financial condition could materially adversely affect each Obligor's ability to repay its obligations under the Intercompany Loan Agreement, and therefore could have a material adverse effect on the ability of the Issuer to repay the Notes.

**Although the Issuer may have funds available to it under the Liquidity Facility, it may not be sufficient or it may be unavailable to cover shortfalls in the Obligors' ability to make payments under the Notes**

Pursuant to the terms of the Liquidity Facility Agreement, the Issuer will make and apply the drawings under the Liquidity Facility Agreement in order to service interest payable in respect of the Notes and repay loans which are required to be repaid under the Liquidity Facility, as more fully described in the section "*Summary of the Transaction Documents—Liquidity Facility Agreement*". However, there is no assurance that any such shortfalls will be met in whole or in part by amounts available under the Liquidity Facility Agreement. In addition, the Issuer is exposed to the risk of a Liquidity Facility Provider becoming insolvent. In such circumstances, insufficient funds may be available to the Issuer to pay in full interest due on the Notes.

**Modifications, waivers and consents in respect of the enforcement of the Transaction Security may be made without the knowledge or consent of individual Noteholders**

The Intercreditor Agreement will provide that the Security Trustee shall seek the approval of the Noteholders and the other relevant Secured Creditors on certain matters, as a condition to concurring in making modifications to or granting consents or waivers under the Intercreditor Agreement and the Transaction Security or to the enforcement of the Transaction Security. It is possible that the interests of the other Secured Creditors will not be aligned with the interests of the Noteholders and therefore there can be no assurance that any such modification, consent or waiver or enforcement action taken will be favourable to all Noteholders. In the case of modifications, consents or waivers, such changes may be detrimental to the interests of some or all Noteholders, despite the ratings of such Notes being affirmed. Therefore, Noteholders alone may not be able to control the outcome of any particular approval or enforcement process and it is possible that the Security Trustee may be given an instruction which is not in the interests of Noteholders.

The Note Trust Deed and the Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Note Trust Deed and the Conditions also provide that, subject to the detailed provisions thereof and of the Intercreditor Agreement, the Note Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that an Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in *Condition 9 (Events of Default)*.

## Legal Risks

### The Notes will be temporarily unsecured due to the refinancing mechanics

As detailed in "*Use of Proceeds and Refinancing Mechanics*" below, the Existing Junior Debt will need to be repaid and discharged using proceeds from the Notes. As such, there will be a period of time (which is expected to be no longer than 1 Business Day (as defined in the Terms and Conditions)) after the proceeds of the Notes have been advanced by the Noteholders, where the Existing Security Package will continue to benefit the Existing Junior Debt Creditors, and it is only upon the Existing Junior Debt Repayment that the Existing Security Package shall be discharged. Whilst the Existing Security Package remains in place, the Transaction Security may not be effective or enforceable in accordance with its terms, and the security in favor of the Existing Junior Debt Creditors shall rank in priority to the Transaction Security in favor of the Noteholders. Once the Existing Junior Debt Repayment has been made, the Noteholders shall have the benefit of the Transaction Security in accordance with its terms. However, for so long as the Existing Security Package remains in place or any of the steps to effect the refinancing do not occur in the manner contemplated under "*Use of Proceeds and Refinancing Mechanics*" below, the Transaction Security may not be effective in accordance with its terms, and the Notes may be unsecured.

### A change in English law may adversely affect Noteholders

The conditions of the Notes are based on English law in effect as at the date of this Offering Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Memorandum. It is possible that changes in law or regulations, or their interpretation or application, after the date of this Offering Memorandum may result in the transaction as originally structured no longer having the effect anticipated.

### The validity of subordination provisions under English law is uncertain

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "flip clauses").

The Supreme Court of the United Kingdom has held in *Belmont Park Investments v BNY Corporate Trustee and Lehman Brothers Special Financing* [2011] UKSC 38 (the "**Belmont decision**") that a flip clause as described above is valid under English law. Contrary to this, however, in parallel proceedings the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. The implications of this conflict remain unresolved.

If a creditor of the Issuer or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales (including, but not limited to, the U.S.), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English law governed Transaction Documents. In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to a range of entities which may act as hedging counterparty, including U.S. established entities and certain non-U.S. established entities with assets or operations in the U.S. (although the scope of any such proceedings may be limited if the relevant non-U.S. entity is a bank with a licensed branch in a U.S. state).

In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales and any relevant foreign judgment or order was recognised by the English courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for such subordination, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may decline.

## Tax Risks

### The Group may incur tax liabilities arising from potential changes in applicable tax law and practice

The statements in relation to taxation set out in this Offering Memorandum are based on current law and the published practice of the relevant authorities in force or applied at the date of this Offering Memorandum. Any changes in such law or practice might have an adverse effect on the financial position of the Issuer or the Guarantors and no assurance can be given as to the effect of any possible judicial decision or change of law or the administrative practice of any jurisdiction after the date of this Offering Memorandum.

The Issuer's inability to qualify as a "securitisation company" under UK tax law could have a material adverse effect on its business, financial condition and results of operations.

### There are potential secondary tax liabilities of the members of the Senior Financing Group and the Issuer

Where a company fails to discharge certain tax liabilities due and payable by it within a specified time period, UK tax law imposes, in certain circumstances (including where that company has been sold so that it becomes controlled by another person), secondary liability for those overdue taxes on other companies that are or have been members of the same group of companies, or are or have been under common control for tax purposes with the company that has not discharged its tax liabilities.

Intermediate HoldCo, the Senior Parent, the Intermediate Senior Parent and the Senior Borrower on behalf of themselves and each other company which any of them controls (other than the Senior Issuer and Senior FinCo) have undertaken in the Tax Deed of Covenant that no steps have been or will be taken by any person which could be expected to give rise to a secondary liability for the Senior Issuer or the Senior Borrower. If any secondary tax liabilities arise in the Senior Issuer or the Senior Borrower (whether in respect of a primary tax liability of a member of the Senior Group or of another company with which the Senior Borrower or the Senior Issuer is or has been grouped or is under common control for UK tax

purposes), those secondary tax liabilities are of significant amounts and are discharged by Intermediate HoldCo, the Issuer or the Borrower could be adversely affected.

The Issuer and the Borrower and other members of the Senior Group have been and are members of a VAT group that also includes members of the wider corporate group. Although Arqiva Limited, as the representative member of that VAT group, accounts for VAT on behalf of the whole VAT group, each member of that VAT group (including the Issuer and the Borrower) is jointly and severally liable for VAT liabilities incurred by another company in the VAT group. As a result, if the Issuer was required by HMRC to pay VAT liabilities of another company in the VAT group, this could affect the Issuer's ability to meet its payment obligations under the Notes.

### Withholding tax in respect of the Intercompany Loan Agreement could have a material adverse effect on the Issuer's ability to make timely payments under the Notes

All payments made under the Intercompany Loan Agreement can be made without deduction or withholding for or on account of any UK tax. In the event that, for example as a result of a change in tax law, any withholding or deduction for or on account of tax is required to be made from any payment due to the Issuer under the Intercompany Loan Agreement, the amount of that payment will be increased so that, after such withholding or deduction has been made, the Issuer will receive a cash amount equal to the amount that it would have received had no such withholding or deduction been required to be made. If the Intercompany Borrower is obliged to increase any sum payable under any Intercompany Loan corresponding to the Notes by it to the Issuer as a result of the Intercompany Borrower being required to make a withholding or deduction from that payment, the Intercompany Borrower will have the option (but not the obligation) to prepay all such outstanding Intercompany Loans made under the Intercompany Loan Agreement in full. If the Intercompany Borrower chooses to prepay such Intercompany Loans under the Intercompany Loan Agreement, the Issuer will then be required to redeem the Notes. Such redemption would be for the outstanding principal amount, together with accrued but unpaid interest. If the Intercompany Borrower does not have sufficient funds to enable it to either repay the Intercompany Loan Agreement or to make increased payments to the Issuer, the Issuer's ability to make timely payments of interest and principal under the Notes could be adversely affected.

## Insolvency and Enforcement Considerations

### Floating charges given by the Issuer or the Guarantors may be deemed invalid for lack of consideration which would hinder the appointment of an administrative receiver

Section 245 of the Insolvency Act 1986 provides that, in certain circumstances, a floating charge granted by a company may be invalid in whole or in part. If a floating charge is held to be wholly invalid then it will not be possible to appoint an administrative receiver of such company and, therefore, it will not be possible to prevent the appointment of an administrator of such company. The risk is, if a liquidator or administrator is appointed to the Issuer or any Guarantor within a period of two years (the "**relevant time**") commencing upon the date on which the Issuer or that Guarantor, as the case may be, grants a floating charge, the floating charge granted by the Issuer or that Guarantor, as the case may be, will be invalid pursuant to Section 245 of the Insolvency Act 1986 except to the extent of the consideration received by the relevant charger at the time of or after the creation of the floating charge. The Issuer will have received consideration (namely, the Issuer will issue Notes and will receive the subscription monies therefor) and AF No 2 will have received such consideration by drawing under the corresponding Intercompany Loan. As such, during the relevant time the floating charge granted by the Issuer will be valid to the extent of the amount of Notes issued by the Issuer and the floating charge granted by AF No 2 will be valid to the extent of the amount drawn by AF No 2 under the corresponding Intercompany Loan. After the relevant time it will not be possible for the floating charges granted by each of the Issuer or the Guarantors to be invalidated under Section 245 of the Insolvency Act 1986.

**The Secured Creditors may be unable to appoint an administrative receiver in respect of floating charges**

The provisions of the Enterprise Act 2002 (the "**Enterprise Act**") restrict the right of the holder of a floating charge to appoint an administrative receiver (unless the security was created prior to 15 September 2003 or an exception applies) and instead give primacy to collective insolvency procedures (in particular, administration).

The Insolvency Act 1986 contains provisions that continue to allow for the appointment of an administrative receiver in relation to certain transactions in the capital markets. The relevant exception provides that the appointment of an administrative receiver is not prohibited if it is made in pursuance of an agreement which is or forms part of a capital market arrangement (as defined in the Insolvency Act 1986) under which a party incurs or, when such agreement was entered into was expected to incur, a debt of at least £50,000,000 and if the arrangement involves the issue of a capital market investment (also defined in the Insolvency Act 1986, but generally a rated, listed or traded debt instrument). Whilst there is no case law, as yet, on how these provisions will be interpreted, it should be applicable to floating charges created by the Issuer and the Guarantors. However, as this issue is partly a question of fact, were it not possible to appoint an administrative receiver in respect of one or more of the Issuer and the Guarantors, they would be subject to administration if they were to become insolvent.

The UK Secretary of State may, by secondary legislation, modify the exceptions to the prohibition on appointing an administrative receiver and/or provide that the exception shall cease to have effect. No assurance can be given that any such modification or provision in respect of the capital market exception, or its ceasing to be applicable to the transactions described in this Offering Memorandum, will not be detrimental to the interests of the Noteholders.

**Restrictive covenants in the Transaction Documents may adversely affect the operations of the Group**

The Transaction Documents to be entered into limit the Issuer and Guarantors' ability, among other things, to:

- incur indebtedness;
- provide guarantees;
- make investments;
- incur liens;
- make certain restricted payments, including dividends or other distributions;
- make acquisitions;
- make disposals; or
- merge or consolidate with another company.

In addition, the Conditions will restrict the ability of the Senior Obligors to, among other things:

- make investments or acquire any business;
- make disposals; or
- make certain modifications to the restricted payments or permitted business covenants in the Common Terms Agreement.

Furthermore, the Conditions will restrict the ability of members of the Junior Group (that are not the Issuer or the Guarantors) to make restricted payments.

All of these limitations will be subject to significant exceptions and qualifications, including intra-Group transactions. See "*Terms and Conditions*" and "*Summary of the Transaction Documents - Liquidity Facility Agreement*". The covenants to which the Group is subject could limit its ability to finance future capital needs and to pursue business opportunities and activities that may be in its interest.

In addition, a breach of any of these restrictive covenants or the inability to comply with the financial covenants under the Liquidity Facility could result in an Event of Default.

**The holders of the Notes may not control certain decisions regarding the Collateral**

The Note Trustee is party to the Intercreditor Agreement with, among others, the Security Trustee and representatives of the other senior debt secured by the Collateral, including the Liquidity Facility. Among other things, the Intercreditor Agreement governs the enforcement of the Security Documents, the sharing of any recoveries from such enforcement among such creditors and the release of the Collateral by the Security Trustee. The Conditions will provide that each holder of Notes, by accepting a Note, will be deemed to have agreed to be bound by the terms of the Intercreditor Agreement and the Security Documents.

Pursuant to the voting provisions set forth in the Intercreditor Agreement, the lenders under the Liquidity Facility Agreement, counterparties to super senior hedging agreements and any other future debt or hedging obligations which are classed in the Intercreditor Agreement as super senior liabilities (the "**Super Senior Creditors**") will have effective control with respect to the Collateral. The Intercreditor Agreement provides that a common security agent will serve as Security Trustee for the secured parties under the Liquidity Facility and the Notes with respect to the shared Collateral. In the event that the shared Collateral has become enforceable, the Security Agent shall enforce or refrain from enforcing such Collateral on the instructions of (a) the majority (more than 66.7% by value) of the Super Senior Creditors and (b) the majority (more than 50% by value) of the holders of the Notes and other *pari passu* creditors (if any).

Further, disputes may occur between the holders of the Notes and the Super Senior Creditors as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the shared Collateral. If the Super Senior Creditors or the holders of the Notes wish to instruct the Security Trustee to enforce the Collateral they must firstly consult with each other and with the Security Trustee in good faith for a period of 10 Business Days, subject to certain exceptions. If at the end of the consultation period the Security Trustee still receives conflicting instructions from the majority Super Senior Creditors and from the holders of a majority of the aggregate principal amount of the Notes and *pari passu* indebtedness, then, to the extent instructions from the holders of the Notes and the *pari passu* creditors are given in accordance with the Intercreditor Agreement, the Security Trustee will comply with such instructions, provided that, if the liabilities owed to the Super Senior Creditors have not been fully and finally discharged in cash within six months of the end of the consultation period or if no enforcement has occurred within three months of the end of the consultation period, the instructions of the majority Super Senior Creditors will prevail.

The Super Senior Creditors may have interests that are different from the interests of holders of the Notes and they may elect to pursue their remedies in respect of the shared Collateral at a time and in a manner which would otherwise be disadvantageous for the holders of the Notes to do so.

In addition, if the Security Trustee sells Collateral comprising shares as a result of an enforcement action in accordance with the Intercreditor Agreement, related claims under the Notes and the Guarantees and related liens over any other assets securing the Notes and the Guarantees may be released. See "*Summary of the Transaction Documents—Intercreditor Agreement*".

**The holders of the Notes may be limited in their ability to take enforcement action in respect of the Collateral**

The security interests in the Collateral that will secure the obligations of the Issuer under the Notes and the obligations of the Guarantors under the Guarantees will not be granted directly to the holders of the Notes, but will be granted only in favour of the Security Trustee. The Intercreditor Agreement and the Conditions will provide that, to the extent permitted by applicable law, only the Security Trustee has the right to enforce the Security Documents relating to the Collateral on behalf of the Note Trustee and the holders of the Notes. As a consequence of such contractual provisions, holders of the Notes will not have direct security interests in the Collateral and be barred from taking enforcement action in respect of the Collateral securing the Notes, except through the Note Trustee who will (subject to the provisions of such Indenture) provide instructions to the Security Trustee.

In addition, the ability of the Security Trustee to enforce the security interests is subject to mandatory provisions of the laws of each jurisdiction in which security interests over the Collateral are taken. For example, the laws of certain jurisdictions may not allow for the appropriation of certain pledged assets, but require a sale through a public auction and certain waiting periods may apply. There is some uncertainty under the laws of certain jurisdictions as to whether obligations to beneficial owners of the Notes that are not identified as registered holders in a security document will be validly secured.

**The proceeds from the enforcement of the Collateral may not be sufficient to satisfy the obligations under the Notes**

The Collateral will secure on a first-ranking basis the Obligors' obligations under the Notes, the Liquidity Facility and certain hedging agreements. The Collateral may also secure additional debt to the extent permitted by the terms of the Conditions, the Liquidity Facility Agreement and the Intercreditor Agreement. The rights of holders of the Notes to the Collateral may be diluted by any increase in the first-ranking debt secured by the Collateral.

No appraisals of any Collateral have been prepared in connection with the offering of the Notes. The value of the Collateral and the amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, whether or not the business is sold as a going concern and the general economic conditions of and the availability of buyers. The book value of the Collateral should not be relied on as a measure of realizable value for such assets. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, the Obligors cannot assure Noteholders that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the pledges, shares and ownership interests of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding.

**The Issuer and the Guarantors will have control over certain of the Collateral, and the operation of the business or the sale of particular assets could reduce the pool of assets securing the Notes**

The Security Documents allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, certain of the Collateral. So long as no default or event of default under the Conditions would result therefrom, the Issuer and the Guarantors, may, among other things, subject to the terms of the Security Documents and the Intercreditor Agreement (as applicable), without any release or consent by the applicable Note Trustee or the Security Trustee, conduct ordinary course activities with respect to the Collateral such as selling, modifying, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness. Any of these activities could reduce the value of the Collateral, which could reduce the amounts payable to you from the proceeds of any sale of the Collateral in the case of an enforcement of the liens on the Collateral.

**It may be difficult to realize the value of the Collateral**

The Collateral securing the Notes will be subject to exceptions, defects, encumbrances, liens, loss of legal perfection and other imperfections permitted under the Conditions and the Intercreditor Agreement and accepted by other creditors that have the benefit of first-ranking liens in the Collateral from time to time, whether on or after the date the Notes are first issued. The existence of any such exceptions, defects, encumbrances, liens, loss of legal perfection and other imperfections could adversely affect the value of the Collateral, as well as the ability of the Security Trustee to realize or foreclose on such Collateral. Furthermore, the first-ranking liens can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or recharacterization under English law.

The security interests of the Security Trustee will be subject to practical problems generally associated with the realization of security interests in collateral. For example, the Security Trustee may need to obtain the consent of a third party (including, without limitation, relevant governmental agencies, e.g., relevant competition authorities) to enforce a security interest. The Group cannot assure you that the Security Trustee will be able to obtain any such consents. The Group also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security Trustee may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease.

**The rights of holders of the Notes may be adversely affected by the failure to perfect security interests in the Collateral**

Under English law, a security interest in certain tangible and intangible assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor of the security. The liens in the Collateral may not be perfected with respect to the claims of the Notes if the Obligors or the Security Trustee fail or are unable to take the actions required to perfect any of these liens. In addition, English law provides that a security interest over certain property and rights acquired after the grant of a general security interest, such as real property, equipment subject to a certificate and certain proceeds, can only be perfected at or promptly following the time such property and rights are acquired and identified.

The Note Trustee and the Security Trustee will not monitor, and the Group may not comply with its obligations to inform the Note Trustee or Security Trustee of, any future acquisition of property and rights by the Group, and the necessary action may not be taken to properly perfect the security interest in such after acquired property or rights. Such failure may result in the invalidity of the relevant security interest in the Collateral or adversely affect the priority of such security interest in favour of the Notes against third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral.

**The granting of the security interests in connection with the issuance of the Notes or the incurrence of permitted debt in the future may create or restart hardening periods**

The granting of security interests to secure the Notes and the Guarantees may create hardening periods for such security interests in certain jurisdictions. The granting of shared security interests to secure future indebtedness permitted to be secured on the Collateral may restart or reopen such hardening periods in particular, as the Conditions will permit the release and retaking of security granted in favour of the Notes in certain circumstances including in connection with the incurrence of future indebtedness. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted, perfected or recreated. At each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it. To the extent that the grant of any security interest is voided, holders of the Notes would lose the benefit of the security interest. The same rights and risks also will apply with respect to future security interests granted in connection with the

accession of further subsidiaries as additional Guarantors and the granting of security interests over their relevant assets and equity interests for the benefit of holders of the Notes.

There are circumstances other than repayment or discharge of the Notes under which the applicable Collateral or Guarantees will be released automatically without your consent or the consent of the Trustee.

Under various circumstances, the Collateral will be released, including:

- upon the later to occur of the discharge of all liabilities owing to the Pari Passu Creditors and the discharge of all liabilities owing to the Super Senior Creditors;
- upon a non-distressed disposal under the Intercreditor Agreement; and
- in connection with any sale or other disposition of Collateral in connection with a Permitted Transaction.

See "*Summary of the Transaction Documents - Intercreditor Agreement - Release of the Guarantees and Transaction Security*".

**The Security Trustee will not monitor the Obligors' compliance with warranties and covenants or the occurrence of Events of Default; Events of Default may occur without the knowledge of the Security Trustee or the Note Trustee (as applicable) if the Security Trustee or the Note Trustee (as applicable) does not receive notice of such event**

The Intercreditor Agreement provides that the Security Trustee will be entitled to assume (unless it has received notice to the contrary) that no Event of Default has occurred. The Security Trustee will not itself monitor whether any such event has occurred. In addition, the Conditions of the Notes provide that the Note Trustee is not responsible for monitoring compliance by the Issuer and the Guarantors with any of their obligations under the Notes, the Note Trust Deed and the other Transaction Documents except by means of receipt of a certificate from the Issuer which will state, among other things, that no Event of Default is outstanding. The Note Trustee will not itself monitor whether any such event has occurred.

**Creditors under the Liquidity Facility and certain debt that the Obligors may incur in the future will be entitled to be repaid with the proceeds of the Collateral sold in any enforcement sale in priority to the Notes**

The Notes will, as far as is possible under law, be secured by the same Collateral that secures, on a first-ranking basis, the Obligors' obligations under the Liquidity Facility and certain hedging obligations. The Conditions will also permit the same Collateral to be pledged on a *pari passu* basis with the Notes, to secure additional indebtedness in accordance with the terms thereof and the Intercreditor Agreement. The Intercreditor Agreement limits the amount of hedging that can be "super-priority" hedging.

In the event of enforcement of the Collateral securing the Notes, pursuant to the Intercreditor Agreement, the liabilities under the Liquidity Facility Agreement, as well as certain hedging obligations permitted to be incurred in accordance with the Conditions and classed in the Intercreditor Agreement as super senior liabilities and any other future debt or hedging obligations which are classed in the Intercreditor Agreement as super senior liabilities, will have priority over the Notes in respect of any amounts received from the sale of the Collateral pursuant to an enforcement action taken with respect to such Collateral. Additionally, certain liabilities or obligations may have priority over or rank *pari passu* with the Notes in respect of any amounts received from the sale of the Collateral due to the rules of the applicable laws (including, without limitation, costs of enforcement actions, tax liabilities, liabilities to employees of a bankrupt entity and fees payable to agents, attorneys and receivers). In the event of a foreclosure of the Collateral, the Noteholders may not be able to recover on such Collateral to the extent that the then outstanding claims under the Liquidity Facility Agreement and any super senior hedging obligations and any other "super-priority" indebtedness are greater than the proceeds realized. In addition, any proceeds from an enforcement sale of the Collateral by any creditor will, after all obligations under the Liquidity Facility Agreement, super senior

hedging and other "super-priority" indebtedness have been discharged from such recoveries, be applied *pro rata* in repayment of any other obligations secured by such Collateral. Such additional indebtedness secured by the Collateral may be significant. As a result, holders of Notes may receive less, ratably, than holders of other secured indebtedness.

**Guarantees and security may constitute a transaction at an undervalue or preference**

A liquidator or administrator of a Guarantor could apply to the court to unwind the issuance of its guarantee if such liquidator or administrator believed that issuance of such constituted a transaction at an undervalue. The Guarantors each believe that its Guarantee will not be a transaction at an undervalue and that its Guarantee will be provided in good faith for the purposes of carrying on its business and its Subsidiaries' and that there are reasonable grounds for believing that the transactions will benefit each such Guarantor. However, there can be no assurance that the provision of the Guarantees will not be challenged by a liquidator or administrator or that a court would support this analysis.

If the liquidator or administrator can show that any of the Guarantors has given a "preference" to any person within six months of the onset of liquidation or administration (or two years if the preference is to a "connected person") and, at the time of the preference, that Guarantor was technically insolvent or became so as a result of the preferential transaction, a court has the power, among other things, to void the preferential transaction. For these purposes, a company gives preference to a person if that person is one of the Group's creditors (or a surety or guarantor for any of the Group's debts or liabilities) and the company takes an action which has the effect of putting that person into a position which, in the event of the company going into insolvent liquidation, will be better than the position that person would have been in if that thing had not been done. The court may not make an order avoiding a preferential transaction unless it is satisfied that the company was influenced by a desire to put that person in a better position. This provision of English insolvency law may affect transactions entered into or payments made by any of Guarantors during the relevant period prior to the liquidation or administration of such Guarantor.

In addition, if it can be shown that a transaction entered into by an English company was made for less than fair value and was made to shield assets from creditors, then the transaction may be set aside as a transaction defrauding creditors. Any person who is a "victim" of the transaction, and not just liquidators or administrators, may assert such a claim. There is no statutory time limit within which a claim must be made and the company need not be insolvent at the time of the transaction. The Guarantors do not believe that they have entered into any transactions which may be regarded as being for less than fair value or to shield assets from their creditors.

**Fixed security interests may be recharacterised as floating security interests due to the degree of control exercised over certain underlying assets, including over bank accounts, and as a result the full proceeds of enforcement may not be available to repay the Notes**

There is a possibility that a court could find that certain fixed security interests expressed to be created by the Security Agreement instead take effect as floating charges.

Whether the fixed security interests will be upheld will depend, among other things, on whether the Security Trustee has the requisite degree of control over the relevant assets and exercises that control in practice.

If the fixed security interests are recharacterised as floating security interests, the claims of (i) the unsecured creditors of the relevant Obligor and (ii) certain statutorily defined preferential claims against the Obligors (including certain employee claims in respect of contributions to pension schemes and wages and the costs and expenses of an administration and/or a liquidation), may have priority over the rights of the Security Trustee to the proceeds of enforcement of such security in accordance with s176A of the Insolvency Act 1986. To the extent that the assets of any Obligor are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge), in certain circumstances under the provisions of section 176A of the Insolvency Act 1986, certain floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Security Agreement may

be first used to satisfy any claims of unsecured creditors, up to an amount equal to £600,000 in respect of each such Obligor. As a result, the full amount of the proceeds of enforcement of the security may not be available to redeem the Notes.

On 6 April 2008, a provision in the Insolvency Act 1986 came into force which effectively reversed by statute the House of Lords' decision in the case of *Buchler and Another v Talbot and Ors* [2004] UKHL 9. Accordingly, it is now the case that the costs and expenses of a liquidation (including corporation tax on capital gains) will be payable out of floating charge assets in priority to the claims of the floating charge-holder. In respect of certain litigation expenses of the liquidator only, this is subject to approval of the amount of such expenses by the floating charge-holder (or, in certain circumstances, the court) pursuant to provisions set out in the Insolvency (England and Wales) Rules 2016 (as amended). As a result of the changes described above, upon the enforcement of the floating charge security granted by an Obligor, floating charge realisations which would otherwise be available to satisfy the claims of secured creditors under the Security Agreement will be reduced by at least a significant proportion of any liquidation expenses.

## Issuer and Note Considerations

The Issuer and the Guarantors are special purpose vehicles and have limited assets and limited ability to generate revenue and will depend on their subsidiaries and affiliates to provide them with funds to meet the Issuer's obligations under the Notes

The Issuer is a special purpose financing entity. Other than the proceeds of the issuance of Notes, the Issuer's principal source of funds will be funds made available to it pursuant to the Intercompany Loan Agreement.

Therefore, the Issuer is subject to all the risks relating to income and expenses to which the Intercompany Borrower is subject. Such risks could limit funds available to the Intercompany Borrower to enable the Intercompany Borrower to satisfy in full and on a timely basis its obligations under the Intercompany Loans.

Similarly, each Guarantor is a non-operating holding company with no material, direct business operations. The principal assets of the Guarantors are the equity interests they directly or indirectly hold in their operating holding subsidiaries (primarily Arqiva Group Holdings Limited, "**Operating HoldCo**"). As a result, the Guarantors are dependent on loans, interest, dividends and other payments from their Subsidiaries to generate the funds necessary to meet their financial obligations, including in the case of the Intermediate Guarantor (in its capacity as the Intercompany Borrower) the repayment of any Intercompany Loans. The Guarantors' Subsidiaries are separate and distinct legal entities and, except for the Issuer and the Guarantors, they will have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make any funds available to pay those amounts, whether by dividends, distributions, advances, loans or other payments. Accordingly, risks that have an impact on the Subsidiaries of each Guarantor could affect the amount of funds available to each Guarantor to enable the Guarantors to satisfy in full and on a timely basis their obligations under the Guarantee (in the case of each Guarantor) and the Intercompany Loan Agreement (in the case of the Intermediate Guarantor only).

### Noteholders are structurally subordinated to claims of creditors of the Guarantors' Subsidiaries, including the secured creditors of Operating HoldCo under the Senior Financing

The Guarantors' Subsidiaries do not guarantee the Notes. The ability of the Guarantors' Subsidiaries to make such distributions and other payments depends on their earnings and may be subject to statutory or contractual restrictions. As an equity investor in its Subsidiaries, each Guarantor's right to receive assets upon their liquidation or reorganisation will be effectively subordinated to the claims of creditors of their Subsidiaries. To the extent that a Guarantor is recognised as a creditor of any such Subsidiary, such Guarantor's claims may still be subordinated to any security interest in or other lien on the assets of such

Subsidiaries and to any of their debt or other obligations. The Junior Group's senior gross debt was £1,022.0 million as of 31 December 2024.

**A downgrade of the ratings of the Senior Notes could limit the ability of the Issuer to make payments on the Notes**

If a Rating Downgrade Event occurs in connection with the Senior Notes, and whilst no Senior Trigger Event has occurred and is continuing, a Senior Financing Group Company may only make Senior Restricted Payments to the extent that such Senior Restricted Payments are used exclusively to pay interest and repay principal on the Subordinated Loans for the purpose of Intermediate HoldCo paying interest and repaying principal to the Intercompany Borrower and the Intercompany Borrower paying interest and repaying principal to the Issuer (in its capacity as the Intercompany Lender) on the Intercompany Loans and the Issuer paying interest on the Notes and on any Facility and any senior expenses (as applicable).

In addition, if such Rating Downgrade Event occurs simultaneously with a Senior Trigger Event continuing, no Senior Financing Group Company may make any Senior Restricted Payments (unless such payments are made in accordance with a Remedial Plan).

In such circumstances, the Rating Downgrade Event occurring in relation to the Senior Notes would have an impact on the amounts received by the Issuer under the Intercompany Loans, which could then in turn impact the Issuer's ability to make corresponding payments on the Notes.

**The occurrence of a Senior Trigger Event, including a breach by a Senior Financing Group Company of a Senior Trigger Event Financial Covenant Ratio, could limit the ability of the Issuer to make payments on the Notes**

Whilst a Senior Trigger Event is continuing, including as a result of a breach by the Senior Financing Group of the Senior Trigger Event Financial Covenant Ratios, a Senior Financing Group Company is not permitted to make Senior Restricted Payments and any Excess Cash Flow (as defined in the Common Terms Agreement) of the Senior Financing Group will be locked-up within the Senior Financing Group and cannot in turn be distributed to AF No 2. This will affect AF No 2's ability as the Intercompany Borrower to pay interest and principal under the Intercompany Loans to the Issuer which will therefore negatively affect the Issuer's ability to make payments on the Notes.

**The Obligors may not have the ability to raise the funds necessary to finance a change of control offer**

Upon the occurrence of certain events constituting a change of control (as defined in the Conditions), the Issuer will be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof on the date of purchase, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase. If a change of control were to occur, it is not assured that the Issuer would have sufficient funds available at such time to pay the purchase price of the outstanding Notes or that the restrictions in the Liquidity Facility Agreement, the Intercreditor Agreement or the Obligors' other then-existing contractual obligations would allow them to make such required repurchases. A change of control may result in an event of default and/or mandatory prepayment obligation under, or acceleration of, the Liquidity Facility and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under the Liquidity Facility Agreement and other indebtedness, even if the change of control itself does not. In addition, certain events that may constitute a change of control under the Liquidity Facility may not constitute a change of control under the Conditions. The future indebtedness of the Obligors and its subsidiaries may also contain prohibitions on certain events that would constitute a change of control or require the Obligors to repay or repurchase such other indebtedness on the occurrence of certain events that would constitute a change of control. See "*Terms and Conditions*".

The ability of the Issuer to receive cash from its subsidiaries to allow it to pay cash to the holders of the Notes following the occurrence of a change of control may be limited by the Obligors' then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a change of control occurs at a time when the Obligors' subsidiaries are prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, the subsidiaries may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer will remain prohibited from repurchasing any Notes. In addition, the Obligors expect that they would require third-party financing to make an offer to repurchase the Notes upon a change of control and the Obligors may not be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Conditions which would, in turn, constitute a default under the Liquidity Facility Agreement and certain other indebtedness.

The change of control provisions contained in the Conditions may not necessarily afford protection in the event of certain important corporate events, including a reorganization, restructuring or other similar transactions involving the Group that may adversely affect Noteholders, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "change of control" as defined in the Conditions. Except as described under "*Terms and Conditions*", the Conditions will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, recapitalization or similar transaction.

**Investors in the Notes may have limited recourse against the independent auditors**

Please see relevant information included in the Financial Statements for a description of the independent auditors' reports, including language limiting the auditors' scope of duty in relation to such reports and the consolidated financial statements to which they relate. In particular, each of the audit reports of PricewaterhouseCoopers LLP relating to the annual financial statements reproduced herein, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, include a statement to the effect that PricewaterhouseCoopers LLP does not accept or assume responsibility for any other purpose or to anyone other than the members of the Parent Guarantor for its audit reports or the opinions it has formed.

**The Issuer relies on certain third parties for certain services in relation to the Notes**

The Issuer has entered into agreements with a number of third parties, which have agreed to perform services for the Issuer and the Intermediate Guarantor (in particular, in its capacity as Intercompany Borrower). In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the ability of the Issuer to make payments owed in respect of the Notes may be affected.

**The Notes will be held in book-entry form and therefore potential Noteholders must rely on the procedures of the relevant clearing systems to exercise any rights or remedies**

The Notes will be represented on issue by one or more Global Certificates that may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the limited circumstances described in each Global Certificate, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interest in each Global Certificate held through it. While the Notes are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While Notes are represented by Global Certificates, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing system. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

**The interests of the Obligors' controlling shareholders may be inconsistent with the interests of holders of Notes**

The interests of the Obligors' principal shareholders, in certain circumstances, may conflict with the interests of holders of Notes. The Obligors' principal shareholders have, and will continue to have, directly or indirectly, the power, among other things, to affect the legal and capital structure and day-to-day operations, as well as the ability to elect and change management and to approve any other changes to operations. For example, the principal shareholders could vote to cause the Obligors' to incur additional indebtedness, to sell certain material assets or make dividends distributions, in each case, so long as the Conditions, the Liquidity Facility Agreement and the Intercreditor Agreement so permit. The interests of the principal shareholders could conflict with interests of holders of Notes, particularly if the Obligors encounter financial difficulties or are unable to pay their debts when due. The principal shareholders could also have an interest in pursuing acquisitions, divestitures, financings, dividend distributions or other transactions that, in their judgment, could enhance their equity investments although such transactions might involve risks to the holders of Notes. In addition, the principal shareholders may come to own businesses that directly compete with the business of the Group.

**The Notes may have limited liquidity**

There can be no assurance that a secondary market for the Notes will develop, or, if a secondary market does develop for any of the Notes issued after the date of this Offering Memorandum, that it will provide any holder of Notes with liquidity or that any such liquidity will continue for the life of the Notes and this may result in an even more illiquid or volatile market in such Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of the Notes.

The liquidity and market value at any time of the Notes are affected by, among other things, the market view of the credit risk of such Notes and will generally fluctuate with general interest rate fluctuations, general economic conditions, the condition of certain financial markets, international political events and the performance and financial condition of the Senior Financing Group.

**Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed**

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they are redeemed. This also may be true prior to any redemption period.

The Issuer may elect to redeem the relevant Notes in advance of their scheduled maturity date by giving notice to the relevant Noteholders in accordance with the Conditions. For example, the Issuer may redeem Notes when its cost of borrowing is lower than the interest rate on the Notes depending on the price the applicable Notes may be redeemed at. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

**Rating Agency assessments, downgrades and changes to Rating Agencies criteria may result in ratings volatility on the Notes**

The ratings assigned by the Rating Agencies to the Notes reflect only the views of the Rating Agencies and in assigning the ratings, the Rating Agencies take into consideration the credit quality of the Obligors and structural features and other aspects of the transaction. There is no assurance that any such ratings

will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in, or unavailability of, information or if, in the Rating Agencies' judgment, circumstances so warrant. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced. Future events, including events affecting the Obligors and/or the Group and/or circumstances relating to the industry in which the Group operates generally, could have an adverse impact on the ratings of the Notes.

A confirmation from a Rating Agency that any action proposed to be taken by the Issuer or the Note Trustee will not have an adverse effect on the then current rating of the Notes does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Noteholders. While each of the Secured Creditors (including the Noteholders), the Issuer or the Note Trustee (as applicable) are entitled to have regard to the fact that the Rating Agencies have confirmed that the then current rating of the Notes would not be adversely affected, the above does not impose or extend any actual or contingent liability on the Rating Agencies to the Secured Creditors (including the Noteholders), the Issuer, the Note Trustee or any other person or create any legal relationship between the Rating Agencies and the Secured Creditors (including the Noteholders), the Issuer, the Note Trustee or any other person whether by way of contract or otherwise.

Any such confirmation from a Rating Agency may or may not be given at the sole discretion of each Rating Agency. It should be noted that, depending on the timing of delivery of the request and any information required to be provided as part of any such request, it may be the case that a Rating Agency cannot provide a confirmation in the time available or at all, and the Rating Agency is likely to state that it is not responsible for the consequences thereof. A confirmation from a Rating Agency, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities form part since the Closing Date. A confirmation from a Rating Agency represents only a restatement of the then current rating of the Notes and cannot be construed as advice for the benefit of any parties to the transaction.

The Rating Agencies have indicated that they may no longer provide confirmations as a matter of policy. To the extent that a confirmation from a Rating Agency cannot be obtained, whether or not a proposed action will ultimately take place will be determined in accordance with the provisions of the relevant Transaction Documents and specifically the relevant modification and waiver provisions.

**Credit ratings may not reflect all risks relating to the Notes**

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 as amended (the "**EU CRA Regulation**") as it forms part of UK domestic law by virtue of the EUWA (the "**UK CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are restricted from using a rating for UK regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In

the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes, EU and UK regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in EU and UK regulated investors selling the Notes which may impact the value of the Notes and any secondary market.

There can be no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the credit rating agencies (or any of them) as a result of changes in, or unavailability of, information or if, in the credit rating agencies' judgment, circumstances so warrant. If any rating assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced. Future events, including events affecting the Issuer or the Guarantors/Group and/or circumstances relating to the industry generally, could have an adverse impact on the ratings of the Notes.

**If definitive Notes are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade**

In relation to any issue of Notes which have denominations consisting of a minimum denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the denomination that are not integral multiples of such minimum denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum denomination such that its holding amounts to the relevant denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum denomination such that its holding amounts to the relevant denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

**Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected**

The Issuer will pay principal and interest on the Notes in sterling. This presents certain risks to currency conversion if an investor's financial activities are denominated principally in a currency or currency unit other than the specified currency (the "**Investor's Currency**"). These include risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the specified Investor's Currency may impose or modify exchange controls. An appreciation of value of the Investor's Currency relative to the specified currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected or no interest or principal.

**Changes in market interest rates may adversely affect the value of the Notes**

The Notes pay a fixed rate of interest. Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of such fixed rate Notes.

**Transfer of the Notes will be restricted, which may adversely affect their liquidity and value of the Notes**

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Accordingly, reoffers, resales, pledges and other transfers of the Notes (and beneficial interests therein) are subject to certain transfer restrictions. Potential Noteholders should read the discussions in "*Transfer Restrictions*" for further information about these and other transfer restrictions. It is the obligation of each Noteholder to ensure that its offers and sales of Notes comply with applicable law. Potential Noteholders are advised to consult legal counsel in connection with any such reoffer, resale, pledge or other transfer.

If the share security under the Security Agreement is enforced, the Parent Guarantor may no longer be a direct shareholder of the Issuer and may no longer be a shareholder of the Intermediate Guarantor

The Parent Guarantor has granted share security over shares in its direct Subsidiaries, including the Intermediate Guarantor and the Issuer, pursuant to the Security Agreement. If the Secured Creditors elect to enforce their rights thereunder, then such security over the shares in the Intermediate Guarantor and the Issuer may be enforced and such enforcement may result in a sale of the Intermediate Guarantor and/or the Issuer and therefore the Parent Guarantor no longer being an indirect shareholder of Intermediate HoldCo and its Subsidiaries (including the operating companies in the Group).

**Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes**

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in numerous measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in certain securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Guarantors, the Joint Global Coordinators, Joint Bookrunners nor any of the parties to the Transaction Documents makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes at any time.

Noteholders in any Member State of the EEA and in the UK should consult their own advisers as to the consequences to, and effect on, them of the application of Directive 2013/36/EU (as amended) and Regulation (EU) No. 575/2013, as amended (together "**CRD**"), as implemented by their own regulator, or Regulation (EU) No. 575/2013 (as it forms part of domestic law by virtue of the EUWA) and the UK legislation and rules implementing Directive 2013/36/EU (as amended) (as applicable) to their holding of any Notes. The Issuer is not responsible for informing Noteholders of the effects of the changes to risk-weighting which will result for investors from the adoption of CRD by their own regulator. The Issuer has considered, and obtained legal advice as to, the applicability of the UK Securitisation Framework and the EU Securitisation Regulation to this transaction and is of the opinion that the Notes do not constitute an exposure to a "securitisation position" for the purposes of the UK Securitisation Framework and the EU Securitisation Regulation.

However, investors should be aware that the regulatory capital treatment of any investment in the Notes will be determined by the interpretation which an investor's regulator places on the provisions of the UK Securitisation Framework and the EU Securitisation Regulation.

Prospective investors should therefore be aware that should the UK Securitisation Framework and the EU Securitisation Regulation apply to an investment in the Notes, significantly higher capital charges may be applied to that investor's holding and/or any further changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market. No assurance can be given that further changes will not be made to the UK Securitisation Framework and the EU Securitisation Regulation, which could impact the Noteholders.

**If the share security under the Security Agreement is enforced, the Intermediate Guarantor may no longer be a shareholder of Intermediate HoldCo**

The Intermediate Guarantor has granted share security over shares in its direct subsidiary, Intermediate HoldCo, pursuant to the Security Agreement. If the Secured Creditors elect to enforce their rights thereunder, then such security over the shares in Intermediate HoldCo may be enforced and such enforcement may result in a sale of Intermediate HoldCo and therefore the Intermediate Guarantor no longer being a direct shareholder of Intermediate HoldCo or an indirect shareholder in its Subsidiaries (including the operating companies in the Group).

**If the share security under the Security Agreement is enforced, Intermediate HoldCo may no longer be a shareholder of the Senior Parent**

Intermediate HoldCo has granted share security over shares in its direct subsidiary, the Senior Parent, pursuant to the Security Agreement. If the Secured Creditors elect to enforce their rights thereunder, then such security over the shares in the Senior Parent may be enforced and such enforcement may result in a sale of the Senior Parent and therefore Intermediate HoldCo no longer being a direct shareholder of the Senior Parent or an indirect shareholder in its Subsidiaries (including the operating companies in the Group).

## OVERVIEW OF SENIOR FINANCING AND SHAREHOLDER FINANCING

In addition to the Notes, the Group is also financed by debt at the level of the operating companies of the Group (as further detailed in "*—Overview of Senior Financing*" below) and the contribution by shareholders of loans (as further detailed in "*—Overview of Shareholder Financing*" below). The meaning of the defined terms which are contained in this section but not defined herein can be found by referring to the "*Index of Defined Terms*" on page 396 or, where the context requires, such terms shall have the same meanings as for the purposes of the Common Terms Agreement as set out in the section entitled "*Defined Terms for the purposes of the Common Terms Agreement*".

### Overview of Senior Financing

The "**Senior Financing Group**" comprising Arqiva Group Parent Limited (the "**Senior Parent**") together with its subsidiaries (each such company a "**Senior Financing Group Company**") comprise a ring-fenced group consisting of the Senior Parent, Arqiva Financing No 1 Limited ("**AF No 1**" and the "**Senior Borrower**"), a holding company of AF No 1 named Arqiva Group Intermediate Limited (the "**Intermediate Senior Parent**"), all of the AF No 1's direct and indirect subsidiaries, including Arqiva Group Holdings Limited, Arqiva UK Broadcast Holdings Limited, ABHL Digital Limited, Arqiva Telecoms Investment Limited, Arqiva Holdings Ltd, Arqiva Limited, Arqiva Services Limited, Arqiva No 2 Ltd, Arqiva No 3 Limited, Arqiva Aerial Sites Limited and Aerial UK Limited (the companies listed above together with the Senior Borrower, the Intermediate Senior Parent and the Senior Parent, the "**Senior Obligors**" and each a "**Senior Obligor**") and Arqiva PP Financing plc ("**Senior PP Issuer**").

The Senior Financing Group and Arqiva Financing plc (the "**Senior Issuer**") (together the "**Senior Group**") are ring-fenced from the other Group companies.

The Senior Obligors have entered into a secured senior financing programme which comprises the Senior Financing Group pursuant to which AF No 1 has entered into the Senior Issuer/Borrower Facilities, the other Senior Borrower Facilities and the Senior Borrower Hedging (the "**Senior Financing**").

#### Senior Obligor Guarantees and Senior Obligor Security

The liabilities of the Senior Borrower under the Senior Borrower Bank Facilities and the Senior Issuer/Borrower Facilities (defined below) (together the "**Senior Borrower Facilities**" and each a "**Senior Borrower Facility**") and the certain other transaction documents including any hedges entered into by the Senior Borrower are cross-guaranteed by the Senior Obligors (the "**Senior Obligor Guarantees**"). Each Senior Obligor granted in favour of a security trustee (the "**Senior Obligor Security Trustee**") first ranking fixed and floating security over all (or substantially all) of its assets (including, in the case of the Senior Parent, the share capital of the Intermediate Senior Parent and, in the case of the Intermediate Senior Parent, the share capital of the Senior Borrower and the Senior Issuer) in support of its financial obligations under the Senior Obligor Guarantees (the "**Senior Obligor Security**").

The Senior Obligor Guarantees and the Senior Obligor Security are held by the Senior Obligor Security Trustee on trust for certain secured creditors of the Senior Obligors (the "**Senior Obligor Secured Creditors**") under the terms of a security trust and intercreditor deed (the "**STID**" and together with, among other documents, the common terms agreement (the "**CTA**"), certain security documents, the master definitions agreements (the "**MDA**") and any other agreement, instrument or deed designated by the Senior Obligor Security Trustee and at least one Senior Obligor as a Common Document, the "**Common Documents**") which also sets out the voting and intercreditor arrangements amongst the secured creditors.

#### Senior Borrower Bank Facilities

The Senior Working Capital Facilities, the Senior Liquidity Facility, the Senior USPP NPA, the Senior USPP Notes, and any other facilities authorised under the CTA (each a "**Senior Borrower Bank Facility**" and

together, the "**Senior Borrower Bank Facilities**" and the loans made thereunder, each a "**Senior Borrower Bank Loan**") were made available to the Senior Borrower. The Senior Borrower may enter into additional Senior Borrower Bank Facilities and certain other authorised facilities from time to time.

***Senior Liquidity Facility***

The Senior Liquidity Facility Providers agreed to provide a renewable 364 day debt service reserve liquidity facility (the "**Senior Liquidity Facility**" and the providers thereof, the "**Senior Liquidity Facility Providers**") on a renewable basis for 25 years from November 2016 to the Senior Borrower and the Senior Issuer for the making of revolving loans under a liquidity facility agreement to ultimately cover any shortfall in cash required to cover interest and scheduled principal and other scheduled amounts (as applicable) payable by the Senior Borrower on the Senior Borrower Bank Facilities and by the Senior Issuer on the Senior Notes (as defined below) and amounts ranking pari passu or senior thereto in accordance with the applicable payment waterfalls of the Senior Borrower and the Senior Issuer.

***Senior Working Capital Facilities***

The Senior Working Capital Facilities Providers agreed to provide the Senior Borrower with working capital facilities (the "**Senior Working Capital Facilities**" and the providers thereof, the "**Senior Working Capital Facilities Providers**") for the making of revolving credit loans ("**Senior Working Capital Loans**") under the Senior Working Capital Facilities Agreement in an aggregate amount of £100,000,000 under a facility agreement dated 9 July 2021 (to be amended and extended in an aggregate amount of £100,000,000 under an amendment agreement dated on or about the date of this Offering Memorandum) and an additional £35,000,000 under a facility agreement dated 15 December 2022, the latter of which is due to be cancelled on or about the date of this Offering Memorandum. The Senior Borrower has drawn £26,000,000 of these Senior Working Capital Facilities and £109,000,000 remained available as at 31 December 2024. The Senior Working Capital Loans will be applied towards the working capital requirements of the Senior Financing Group.

***Senior U.S. Private Placement (Senior USPP)***

In 2013, 2014, 2016 and 2023, the Senior PP Issuer issued secured private placement notes (together, **the** "**Senior USPP Notes**" and the holders thereof, the "**Senior USPP Noteholders**") under U.S. private placements. The Senior USPP Notes were each issued to the Senior USPP Noteholders pursuant to a note purchase agreement for each issuance entered into by the Senior PP Issuer, the Senior Borrower, the other Senior Obligors and the relevant Senior USPP Noteholders (each a "**Senior USPP NPA**"). Under the terms of each Senior USPP NPA, in addition to the covenant to pay the Senior USPP Noteholders given by the Senior PP Issuer, the Senior Borrower (as a Senior Obligor) has covenanted to pay the Senior USPP Noteholders all principal, interest and other amounts due from the Senior PP Issuer to the Senior USPP Noteholders under the Senior USPP Notes on a pari passu basis to all other Senior Borrower Bank Facilities.

The proceeds from the issuance of the Senior USPP Notes were on-lent by the Senior PP Issuer to the Senior Borrower and the Senior Borrower applied the proceeds of such loan to refinance existing senior indebtedness or for general corporate purposes.

**Senior Issuer/Borrower Facilities, the Senior Issuer, Senior Notes and Senior Issuer Security**

The Senior Issuer is a special purpose vehicle incorporated as a public limited company under the laws of England and Wales. The shares of the Issuer are held by the Intermediate Senior Parent.

The Senior Issuer issued secured notes in 2013, 2014 and 2023 and may issue further secured notes (together, the "**Senior Notes**") from time to time. The proceeds of the Senior Notes were and will be on-lent by the Senior Issuer to the Senior Borrower under facilities (the "**Senior Issuer/Borrower Facilities**" and the agreement under which such facilities are provided, the "**Senior Issuer/Borrower Facilities**

**Agreement**") applied and to be applied towards refinancing existing senior and junior indebtedness or for general corporate purposes.

The Senior Issuer created security over all of its assets (including its rights under the Senior Issuer/Borrower Facilities Agreement, certain hedges entered into between the Senior Issuer and the Senior Borrower, the CTA and the STID) (the "**Senior Issuer Security**") in favour of a security trustee appointed by and acting on behalf of the holders of the Senior Notes, the Senior Liquidity Facility Providers (in their capacity as lenders to the Senior Issuer) and other secured creditors of the Senior Issuer.

### Senior FinCo

Arqiva Senior Finance Limited (having the same meaning as "FinCo" for the purposes of the Common Terms Agreement ("**Senior FinCo**")) is a sister company of the Senior Borrower and, as is the case with the Senior Issuer, sits outside of the Senior Financing Group. Senior FinCo previously entered into term facilities and on lent the proceeds to the Senior Borrower. The term facilities entered into by Senior FinCo have since been repaid in full and terminated together with the intercompany loans between Senior FinCo and the Senior Borrower and all related hedging and security. The disclosure of the Senior Financing is this Offering Memorandum is presented on this basis. Senior FinCo does not undertake any other activities. In the event that Senior FinCo incurs any future financial indebtedness, Senior FinCo would on lend the proceeds to the Senior Borrower under an Authorised Facility. Any Authorised Facility would be subject to the terms of the Senior Financing and Common Documents.

### Senior Hedging

The Senior Borrower has a swap portfolio comprising interest rate hedges (the "**Senior Interest Rate Hedges**"), cross-currency hedges (the "**Senior Currency Hedges**"), overlay hedges (the "**Senior Overlay Hedges**") and inflation-linked hedges (the "**Senior Inflation-Linked Hedges**" and, together with the Senior Interest Rate Hedges, Senior Currency Hedges and Senior Overlay Hedges, the Senior Hedges, the agreements under which such Senior Existing Hedges are provided, the "**Senior Hedging Agreements**" and the counterparties thereunder, the "**Senior Hedge Counterparties**").

The Senior Inflation Linked Hedges and Senior Overlay Hedges rank senior in point of payment and security to (among other things) the Senior Borrower Facilities. The Senior Interest Rate Hedges and Senior Currency Hedges rank pari passu in point of payment and security to (among other things) the Senior Borrower Facilities.

The Senior Issuer or the Senior Borrower (as applicable) may enter into new Senior Hedges from time to time as may be required to ensure compliance with the hedging policy of the Senior Issuer and the Senior Borrower.

No hedging is permitted for speculative purposes, but the Senior Borrower may enter into general foreign exchange trades or interest rate risk management trades in the ordinary course of business.

### Swaps Portfolio Details

As at 31 December 2024, the Junior Group had a hedging portfolio with a notional amount of approximately £1.3 billion. This portfolio comprises approximately:

- £0.7 billion notional amount of inflation linked swaps (ILS) to which the Senior Borrower is party;
- £0.3 billion notional amount of overlay swaps (OS) to which the Senior Borrower is party;
- £0.1 billion notional amount of cross currency swaps (CCS) to which the Senior Borrower is party; and
- £0.2 billion notional amount of IRS to which the Senior Borrower is party.

The summary terms of the hedging portfolio, as at 31 December 2024, are as follows:

| Swap | Senior Borrower ILS | Senior Borrower OS | Senior Borrower CCS | Senior Borrower IRS |
|---|---|---|---|---|
| **Notional amount** | Approximately £0.7 billion | Approximately £0.3 billion | Approximately £0.1 billion | Approximately £0.2 billion |
| **Maturity** | 2027 | 2025 on approximately £25 million | 2031 | 2029 |
| | | 2027 on approximately £0.3 billion | | |
| **Mandatory breaks** | None | None | None | None |
| **Ranking** | Super senior to Senior Borrower Facilities | Super senior to Senior Borrower Facilities | Pari passu with Senior Borrower Facilities | Pari passu with Senior Borrower Facilities |
| **Structural features** | Regular scheduled payments of accretion, as follows:<br>Accretion payable annually until maturity<br>Assuming a flat annual inflation rate, accretion payments will grow larger over time due to the compounding effect of inflation<br>Accretion paydowns are collared at a cap of an approximately 6.0% on and with a floor of 2.5% for a notional of £0.7bn | Amortising on approximately £25 million that is maturing in 2025<br>Remaining £0.3 billion overlays are bullet maturity | Amortising to match the U.S. dollar tranche of the Senior USPP Notes with principal exchanges on the scheduled amortising dates of the U.S. dollar tranche of the Senior USPP Notes | Amortising on approximately £0.2 billion |
| **Estimated mark-to-market value as at 31 December 2024** | Approximately (£0.2) billion | Approximately £9 million | Approximately (£4.0) million | Approximately £18 million |
| **Coupons paid** | 2.9% real rate on the ILS notional<br>The interest payments are calculated on a swap notional amount that increases semi-annually with reference to RPI<br>The ILS have a base index level of 201.6 (i.e. the RPI figure for January 2007). This is the date falling three months before the date when the ILS were initially entered into by the Borrower (in April 2007) | Floating pay leg of SONIA + 0.2677% on approximately £25 million<br>Floating pay leg of SONIA + 0.2677% on approximately £0.1 billion<br>Floating pay leg of SONIA on approximately £0.2 billion | Fixed pay leg of approximately 7.0% on GBP notional | Fixed pay leg of 0.3% on approximately £0.2 billion notional |

| Swap | Senior Borrower ILS | Senior Borrower OS | Senior Borrower CCS | Senior Borrower IRS |
|---|---|---|---|---|
| **Coupons received** | Approximately £0.3 billion of the ILS have a fixed receive leg of 2.6%<br>Approximately £0.4 billion of the ILS have a floating receive leg of SONIA + 0.2766% | Fixed receive leg of 2.0% on approximately £25 million<br>Fixed receive leg of 2.9% on approximately £0.1 billion<br>Fixed receive leg of 5.2% on approximately £0.2 billion | Fixed receive leg of 6.2% on U.S. dollar notional to match coupons of the U.S. dollar tranche of the Senior USPP Notes | Floating receive leg of SONIA + 0.2766% |

(1) Historic RPI fixings can be found on Bloomberg page UKRPI < Index >.

***Senior Borrower ILS and Senior Borrower OS***

The existing ILS (which have a total notional amount of approximately £0.7 billion) are used to hedge the Junior Group's high proportion of index linked turnover. The mark to market value on the ILS is linked to future expectations of inflation. As the Junior Group's long term contracts are closely linked to the RPI, higher inflation tends to increase future turnover and offsets the impact of mark to market deterioration on the ILS over the life of the swap.

In addition, the Senior Borrower has entered into approximately £0.4 billion notional amount of floating/fixed interest rate swaps (i.e. OS) to overlay the ILS (with no mandatory break and having a floating receive leg of either SONIA or SONIA + 0.2766%) and thereby amend the net cash flow characteristics.

Approximately £0.6 billion notional amount of ILS after directly or in conjunction with a portion of the OS (£0.4 billion notional amount) effectively hedges the Senior Issuer's and the Senior PP Issuer's fixed rate GBP coupon payments under the existing fixed rate Senior Notes and the existing fixed rate GBP tranche of the Senior USPP Notes, respectively. The remaining £0.1 billion notional amount of ILS is hedging floating rate debt.

On the ILS, the coupon is paid in cash at each semi annual payment date and is accounted for in the Senior Historic Cashflow ICR and the Senior Projected Cashflow ICR (together, the "Senior ICRs"). The accretion amount to the notional amount which is determined by indexation to inflation is counted as Senior Net Debt in the Senior Historic Net Debt to EBITDA Ratio and the Senior Projected Net Debt to EBITDA Ratio, but not in the Senior ICRs.

The Senior Borrower is required to pay down accretion amounts every year until maturity of the ILS. The Senior Borrower expects to fund this payment from available cash and/or the incurring of new Senior Debt.

The accretion payment on the ILS is calculated according to the following formula:

{([RPI (3 month lag) / 201.6 − 1] × ILS notional) minus the sum of all previous accretion payments}.

Assuming inflation is 3.0% from the 30 June 2024 RPI fixing until 30 June 2025, the accretion paydown on that date would be approximately £652.4 million ([394.5 / 201.6] × £681.8 million) minus approximately £613.5 million (aggregate accretion repayments paid as at June 2024) = approximately £38.9 million.

The interest payments on the ILS are calculated according to the following formula:

{[RPI (3 month lag) / 201.6] × ILS notional × real rate × fraction of year}

As an example, to calculate the semi annual interest coupon payable at 30 June 2019 on the ILS, the calculation is as follows:

{[394.5 / 201.6] × £682 million × 2.9% × 0.5} = approximately £19.3 million cash interest cost

(1) 394.5 is the approximate RPI fixing at 30 June 2025 with 3 month lag assuming 3% annual inflation from 30 June 2024 RPI fixing until 30 June 2025.

Management estimates that, as at 31 December 2024, the fair value on the ILS was approximately £166 million and the PV01 (as explained above) on the ILS was approximately £0.3 million. The PV01 represents the present value of adding one basis point to the fixed rate payable by the Senior Borrower and is a function of interest rates and time (which means that the PV01 will vary from time to time).

***Senior Borrower CCS***

The Senior Borrower has entered into U.S.$0.1 billion notional amount of CCS to fix the sterling cost of future interest and capital repayment obligations relating to the U.S. dollar tranche of the Senior USPP Notes at an exchange rate of USD1.24:GBP1.00.

***Senior Borrower IRS***

The Senior Borrower has entered into approximately £0.2 billion notional amount of IRS to hedge the floating rate payable by the Senior Borrower under the Senior Group's floating rate GBP debt, specifically the floating rate GBP tranches of the Senior USPP Notes. None of the Senior Borrower IRS contains any mandatory break provisions and instead the maturity date of each such Senior Borrower IRS corresponds to the scheduled maturity of the aforementioned Senior Debt that it hedges (subject to any scheduled amortisation, if applicable).

**Senior Common Documents**

Each of the Senior Borrower Bank Facilities and the Senior Issuer/Borrower Facilities are subject to common representations and warranties, covenants, trigger events, events of default and intercreditor arrangements set out under a CTA, the STID and the MDA setting out the terms used therein including, in particular, the ratios set out in the table "*Senior Financial Covenant Ratios and Senior Trigger Events*" below.

**Senior Financial Covenant Ratios and Senior Trigger Events**

The Common Terms Agreement contains the Senior Financial Covenant Ratios (tested semi-annually), the Rating Downgrade Event and the Senior Trigger Events (and the related definitions) applying to each Senior Financing Group Company.

| Ratio | Consequence of breach |
|---|---|
| The Senior Historic Net Debt to EBITDA Ratio or the Senior Projected Net Debt to EBITDA Ratio exceeds 6.50:1[1]<br>OR<br>The Senior Historic Cashflow DSCR or the Senior Projected Cashflow DSCR is lower than 1.30:1. | **Occurrence of a Senior Trigger Event**: (among other consequences) no Senior Financing Group Company may make a Senior Restricted Payment and, for so long as a Senior Trigger Event is continuing, the Senior Borrower will credit the Lock Up Account with all Excess Cash Flow in respect of each Semi Annual Test Period from the Semi Annual Test Period in which the Senior |

[1] Although the Senior Trigger Event occurs at this ratio, no Limited Payments can be made if either the Senior Historic Net Debt to EBITDA Ratio or the Senior Projected Net Debt to EBITDA Ratio is equal to or higher than 5.00:1.

| | |
|---|---|
| OR<br>The Senior Historic Cashflow ICR or the Senior Projected Cashflow ICR is lower than 2.00:1 | Trigger Event occurred and, in certain circumstances, make prepayments of Senior Debt.<br>In the event that no Senior Financing Group Company may make a Senior Restricted Payment, this will mean that no Excess Cash Flow could be paid by the Senior Financing Group to the Intermediate Guarantor, thereby ultimately affecting the ability of the Issuer to make payments on the Notes.<br>A Senior Obligor may make a Disposal Cure to either remedy or improve such breach. |

***Senior Events of Default***

| **Ratio** | **Consequence of breach** |
|---|---|
| The Senior Historic Net Debt to EBITDA Ratio is higher than 6.00:1.<br>The Senior Historic Cashflow DSCR is lower than 1.05:1.<br>The Senior Historic Cashflow ICR is lower than 1.55:1. | **Occurrence of a Senior Obligor Event of Default and a Senior Trigger Event**: (among other consequences) (i) no Senior Financing Group Company may make a Senior Restricted Payment and, for so long as the Senior Obligor Event of Default is continuing, the Senior Borrower will credit the Lock Up Account with all Excess Cash Flow in respect of each Semi Annual Test Period from the Semi Annual Test Period in which the Senior Obligor Event of Default occurred and make prepayments of Senior Debt; and (ii) a Senior Obligor Enforcement Notice may be served and the Senior Obligor Security enforced which may result in a sale of the Senior Financing Group.<br>A Senior Obligor Event of Default may be remedied by way of Equity Cure. In the event that such breach is remedied by way of Equity Cure, the relevant Senior Financial Covenant Ratio will be recalculated on a pro forma basis. |

***Rating Downgrade Event***

| **Event** | **Consequence of occurrence** |
|---|---|
| So long as any Senior Notes are outstanding, the occurrence of either:<br>(i) one or both of the ratings assigned to the Senior Notes (in the case where the Senior Notes are rated by two rating agencies); or<br>(ii) two or more ratings assigned to the Senior Notes (in the case where the Senior Notes are rated by three or more rating agencies), fall below BBB−/Baa3 (or equivalent) by a rating agency. | Provided that no Senior Trigger Event has occurred and is continuing, a Senior Financing Group Company may only make Senior Restricted Payments to the extent used exclusively to allow the Issuer to pay interest on the Notes and expenses. |

The Common Terms Agreement (as amended) also contains a covenant whereby if either the Senior Historic Net Debt to EBITDA Ratio for the Test Period ending on (and including) the immediately preceding Test Date or the Senior Projected Net Debt to EBITDA Ratio for the Projected Test Period commencing on (but excluding) such Test Date is (or would have been, if calculated on a pro-forma basis to take into account the relevant Limited Payment as if such Limited Payment occurred during the relevant Test Period) equal to or higher than 5.0, no Senior Financing Group Company shall make a Limited Payment (as defined below).

For the purposes of this preceding paragraph, "**Limited Payments**" means any payments (including distributions, dividends, bonus issues, return of capital, fees, interest, principal or other amounts whatsoever) by way of loan or repayment of any loan or otherwise (in cash or in kind) by any Senior Financing Group Company to any Senior Group Holding Company, any other Non-Senior Financing Group Company (other than the Senior Issuer or Senior FinCo (but including any payments made by AF No 1 to Senior FinCo)) or any Shareholder (in each case other than pursuant to or in accordance with the Obligor Transaction Documents) other than:

(a) payments made pursuant to any contract for the provision to any Senior Financing Group Company of any lease, licence, goods or services (other than management services pursuant to paragraph (b) below) provided on arm's length terms or better than arm's length terms from the perspective of such Senior Financing Group Company;

(b) payments made for the provision of management services and which are entered into on bona fide arm's length terms and in the ordinary course of trading to the extent that the aggregate of all such payments together with all payments made pursuant to paragraph (d) below does not exceed £1 million (RPI indexed) in any consecutive twelve month period, provided that no such payment may be made to meet general corporate purposes of any Senior Group Holding Company or any other Non-Senior Financing Group Company;

(c) payments made pursuant to a Permitted Tax Transaction;

(d) any payments of insurance premiums to a captive insurer that are on arm's length terms; and

(e) any payment made by a Senior Financing Group Company not otherwise permitted above if the amount of that payment when aggregated with the amount of all other payments made under this paragraph (e) together with all payments made pursuant to paragraph (b) above does not exceed £1 million (RPI indexed) (or its equivalent) in any consecutive twelve month period.

Please also see "*Description of Certain Financing Arrangements*".

## Overview of Shareholder Financing

In addition to the Senior Financing and funds provided pursuant to the issue of the Notes, certain shareholders in Arqiva Group Limited provided Arqiva Financing No 3 plc with funding in the form of unsecured shareholder loan notes (the "**SLNs**"), issued in two classes in an aggregate principal amount of £1,054 million. The proceeds of the SLNs are structurally subordinated to the Senior Financing and funds provided pursuant to the issue of the Notes. All SLNs are listed on the International Stock Exchange (Channel Islands) and are repayable between the date falling on the first anniversary of the maturity of the Notes and the date falling on the second anniversary of the maturity of the Notes. There is no call option which allows the holders to require early redemption.

The SLNs carry a fixed rate of interest ranging between 13% and 14%, however all accrued interest has been deferred. £1,094 million worth of payment-in-kind (**PIK**) loan notes have been issued to some, but not all, of the shareholders in satisfaction of certain amounts of deferred interest. The PIK loan notes rank

pari passu in right and priority of payment with the deferred interest under the existing class of notes to which they relate. A balance of £4,747 million remains as at 31 December 2024 in relation to deferred and accrued interest not satisfied by the issuance of PIK notes. Any further interest accrued on the SLNs from the period beginning January 2009 also remains outstanding. Shareholder Loan Notes refers to the SLNs, the PIK notes and all associated deferred and accruing interest.

## SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER INFORMATION

*The following tables present Arqiva Broadcast Parent Limited's consolidated financial information. The following consolidated financial information should be read in conjunction with the Financial Statements, and notes included therein and the sections entitled "Presentation of Financial and Other Information", "Use of Proceeds and Refinancing Mechanics", "Capitalisation" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".*

*The summary financial information provided below was extracted from Arqiva Broadcast Parent Limited's Financial Statements, prepared in accordance with UK IFRS and presented in pounds sterling. The information below is not necessarily indicative of the results of future operations. Each of the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial years ended 30 June 2024, 2023 and 2022 have not been restated to reflect the restatement of historical financial information described under section "Presentation of Financial and Other Information—Restatement" above.*

The financial data below also includes certain non-IFRS measures used to evaluate the Junior Group's economic and financial performance. These measures are not identified as accounting measures under UK IFRS and therefore should not be considered as alternative measures to evaluate the Junior Group's performance. See "*Presentation of Financial and Other Information— Alternative Performance Measures*".

### Consolidated Income Statement

| | Six-month period to 31 December *(unaudited)* | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated**[3] | **Restated**[3] | | **Restated**[3] | **Restated**[4] |
| | | | *(£ millions)* | | |
| Revenue[1] | 305.4 | 324.1 | 645.2 | 613.3 | 598.2 |
| Cost of sales | (102.7) | (123.8) | (230.5) | (195.4) | (178.9) |
| **Gross profit** | 202.7 | 200.3 | 414.7 | 417.9 | 419.3 |
| Depreciation | (54.2) | (58.0) | (88.3) | (91.7) | (158.4) |
| Amortisation | (6.2) | (7.8) | (19.7) | (12.9) | (13.2) |
| Other operating expenses | (48.2) | (53.7) | (108.1) | (96.7) | (89.2) |
| Exceptional operating expenses and impairment | (1.9) | (1.8) | (7.9) | (133.5) | (29.6) |
| Total operating expenses | (110.5) | (121.3) | (224.0) | (334.8) | (290.4) |
| Other income | 3.9 | 3.9 | 9.9 | 7.8 | 7.7 |
| Exceptional other income | — | 16.0 | 16.0 | 20.0 | 5.0 |
| **Operating profit** | 96.1 | 98.9 | 216.6 | 110.9 | 141.6 |
| Finance income | 0.9 | 2.5 | 4.8 | 4.1 | 2.5 |
| Finance costs | (171.0) | (158.0) | (324.9) | (299.9) | (279.6) |
| Other gains and losses[2] | 5.8 | (8.1) | (10.6) | (28.2) | (77.6) |
| **Loss before tax** | **(68.2)** | **(64.7)** | **(114.1)** | **(213.1)** | **(213.1)** |
| Tax | (9.0) | (11.6) | 10.6 | 15.1 | 40.0 |
| **Loss for the year** | **(77.2)** | **(76.3)** | **(103.5)** | **(198.0)** | **(173.1)** |

Notes:

(1) Including exceptional service credits.

(2) Including exceptional other gains and losses.

(3) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

(4) Previously disclosed in annual Consolidated Financial Statements to 30 June 2023, note 12; restated to reflect a reclassification between the consolidated income statement and the consolidated statement of changes in equity.

### *Consolidated Statement of Financial Position*

| | As at 31 December | | As at 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated**[1] | **Restated**[1] | **Restated**[1] | **Restated**[1] | |
| | | | *(£ millions)* | | |
| **Non-current assets** | | | | | |
| Goodwill | 1,340.2 | 1,340.2 | 1,340.2 | 1,340.2 | 1,458.0 |
| Other intangible assets | 73.0 | 66.8 | 74.8 | 55.7 | 36.4 |
| Property, plant and equipment | 1,170.2 | 1,196.7 | 1,182.4 | 1,231.1 | 1,301.1 |
| Deferred tax | 213.3 | 188.4 | 222.8 | 199.8 | 188.2 |
| Retirement benefits | 10.2 | 50.8 | 9.3 | 51.2 | 61.0 |
| Interest in associates and joint ventures | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Derivative financial instruments | 12.1 | 21.7 | 14.7 | 31.5 | 31.9 |
| | 2,819.3 | 2,864.7 | 2,844.3 | 2,909.6 | 3,076.7 |
| **Current assets** | | | | | |
| Trade and other receivables | 132.1 | 112.7 | 111.8 | 118.5 | 110.2 |
| Contract assets | 6.1 | 11.8 | 6.9 | 9.3 | 13.0 |
| Cash and cash equivalents - unrestricted | 9.4 | 21.1 | 13.8 | 36.3 | 243.8 |
| Cash and cash equivalents - restricted | 7.4 | - | 7.0 | - | - |
| | 155.0 | 145.6 | 139.5 | 164.1 | 367.0 |
| **Total assets** | 2,974.3 | 3,010.3 | 2,983.8 | 3,073.7 | 3,443.7 |
| **Current liabilities** | | | | | |
| Trade and other payables | (1,973.7) | (1,789.7) | (1,912.4) | (1,719.3) | (1,601.9) |
| Corporate tax | - | - | - | - | (2.4) |
| Contract liabilities | (102.0) | (118.4) | (90.0) | (116.0) | (101.1) |
| Borrowings | (133.8) | (67.3) | (88.1) | (354.4) | (114.6) |
| Provisions | (3.6) | (3.2) | (3.7) | (3.3) | (3.9) |
| | **(2,213.1)** | **(1,978.6)** | **(2,094.2)** | **(2,193.0)** | **(1,823.9)** |
| **Net current liabilities** | **(2,058.0)** | **(1,833.0)** | **(1,954.7)** | **(2,028.9)** | **(1,456.9)** |
| **Non-current liabilities** | | | | | |
| Contract liabilities | (271.6) | (286.8) | (291.5) | (304.0) | (338.5) |
| Borrowings | (1,381.4) | (1,455.3) | (1,426.6) | (1,227.9) | (1,651.5) |
| Derivative financial instruments | (169.1) | (236.9) | (178.2) | (237.7) | (345.5) |
| Non-current provisions | (86.4) | (76.1) | (77.6) | (77.7) | (83.0) |
| | (1,908.5) | (2,055.1) | (1,973.9) | (1,847.3) | (2,418.5) |

| | As at 31 December | | As at 30 June | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | Restated[1] | Restated[1] | Restated[1] | Restated[1] | |
| | | | *(£ millions)* | | |
| **Total liabilities** | (4,121.6) | (4,033.7) | (4,068.1) | (4,040.3) | (4,242.4) |
| **Net liabilities** | (1,147.3) | (1,023.4) | (1,084.3) | (966.6) | (798.7) |
| **Equity** | | | | | |
| Share capital | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Accumulated losses | (1,265.7) | (1,125.6) | (1,188.7) | (1,051.8) | (844.3) |
| Merger reserve | (188.5) | (188.5) | (188.5) | (188.5) | (188.5) |
| Capital contribution reserve | 305.3 | 289.3 | 291.5 | 272.4 | 233.1 |
| Translation reserve | (0.6) | (0.6) | (0.6) | (0.6) | (0.7) |
| Total equity attributable to owners of the Parent | (1,149.4) | (1,025.3) | (1,086.2) | (968.4) | (800.3) |
| Non-controlling interest | 2.1 | 1.9 | 1.9 | 1.8 | 1.6 |
| **Total equity** | (1,147.3) | (1,023.4) | (1,084.3) | (966.6) | (798.7) |

Notes:

(1) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

### *Consolidated Cash Flow Statement*

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | | | *(£ millions)* | | |
| **Net cash inflow from operating activities** | 94.0 | 123.7 | 283.0 | 277.4 | 336.1 |
| **Investing activities** | | | | | |
| Interest received | 0.7 | 1.2 | 2.4 | 2.0 | 0.8 |
| Purchase of tangible and intangible assets | (32.9) | (34.3) | (71.3) | (64.7) | (88.7) |
| Proceeds on disposal of tangible assets | — | — | 5.2 | 0.8 | — |
| Receipt of insurance stage payments | — | 16.0 | 16.0 | 20.0 | 5.0 |
| Non-refundable deposit on conditional sale | — | — | 0.2 | — | — |
| Purchase of Investments | (0.2) | — | — | — | — |
| **Net cashflow from investing activities** | (32.4) | (17.1) | (47.5) | (41.9) | (82.9) |
| **Financing activities** | | | | | |
| Raising of external borrowings | 26.0 | 250.0 | 250.0 | 545.3 | 34.0 |
| Repayment of external borrowings | (16.5) | (308.9) | (322.3) | (694.4) | (56.7) |
| Movement in borrowings | 9.5 | (58.9) | (72.3) | (149.1) | (22.7) |
| Repayment of capital element of finance lease rentals | (7.5) | (11.7) | (20.6) | (21.2) | (22.1) |

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | | | *(£ millions)* | | |
| Interest element of finance lease rentals..... | (2.1) | (2.4) | (4.4) | (5.4) | (6.7) |
| Interest paid..... | (65.5) | (46.0) | (107.3) | (100.5) | (94.1) |
| Cash settlement of principal accretion on inflation-linked swaps[(1)]..... | — | — | (53.4) | (146.9) | (90.0) |
| Debt issue costs and facility arrangement fees ..... | — | (2.8) | (2.6) | (19.8) | (1.3) |
| Settlement on close out of inflation linked swaps..... | — | — | 9.7 | — | — |
| Dividends paid to non-controlling interest .... | — | — | (0.1) | (0.1) | — |
| **Net cashflow from financing activities** | (65.6) | (121.8) | (251.0) | (443.0) | (236.9) |
| **Increase/(decrease) in cash and cash equivalents**..... | **(4.0)** | **(15.2)** | **(15.5)** | **(207.5)** | **16.3** |
| **Cash and cash equivalents at the beginning of the financial period / financial year** | **20.8** | **36.3** | **36.3** | **243.8** | **227.5** |
| **Cash and cash equivalents at the end of the financial period / financial year** | **16.8** | **21.1** | **20.8** | **36.3** | **243.8** |

Notes:

(1) Relates to FY23 accretion prepayment.

### *Segmental Financial Data*

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated[(2)]** | **Restated[(2)]** | | | |
| | | | *(£ millions)* | | |
| **Media Distribution – Commercial .....** | | | | | |
| Revenue..... | 237.9 | 241.4 | 481.2 | 462.4 | 466.3 |
| EBITDA[(1)] ..... | 166.2 | 163.4 | 341.3 | 352.3 | 343.0 |
| **Smart Utilities Networks – Commercial** | | | | | |
| Revenue..... | 67.5[(2)] | 82.7[(2)] | 164.0 | 150.9 | 131.9 |
| EBITDA[(1)] ..... | 29.7 | 31.4 | 65.5 | 70.9 | 65.4 |
| **Operations** | | | | | |
| Revenue..... | — | — | — | — | — |
| EBITDA[(1)] ..... | (11.9) | (12.8) | (25.0) | (23.3) | (25.3) |
| **Technology** | | | | | |
| Revenue..... | — | — | — | — | — |
| EBITDA[(1)] ..... | (20.2) | (19.1) | (37.2) | (32.4) | (28.5) |
| **Corporate** | | | | | |

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | Restated[2] | Restated[2] | | | |
| | | | *(£ millions)* | | |
| Revenue | — | — | — | — | — |
| EBITDA[1] | (9.3) | (16.3)[2] | (35.2) | (30.3) | (14.8) |
| **Consolidated** | | | | | |
| Revenue | 305.4 | 324.1 | 645.2 | 613.3 | 598.2 |
| EBITDA[1] | 154.5 | 146.6 | 309.4 | 337.2 | 339.8 |

Notes:

(1) EBITDA figure excludes functional operational expenditure costs.

(2) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

### *EBITDA, operating cashflow and capital expenditure Financial Data*

| | Six-month period to 31 December | | Last twelve-month period to 31 December | Year Ended 30 June | | |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2024 | 2023 | 2022 |
| EBITDA[1] | 154.5 | 146.6 | 317 | 309.4 | 337.2 | 339.8 |
| EBITDA Margin (%)[2] | 50.6% | 45.2% | | 48.0% | 55.0% | 56.8% |
| Net cash inflow from operating activities | 94.0 | 123.7 | | 283.0 | 277.4 | 336.1 |
| Maintenance capital expenditure[3] | 14.9 | 14.5 | | 29.4 | 28.2 | 40.7 |
| Growth capital expenditure – contracted[4] | 13.1 | 10.9 | | 24.0 | 23.3 | 31.1 |
| Growth capital expenditure – non-contracted[5] | 5.2 | 3.6 | | 10.7 | 1.1 | 0.4 |
| Bilsdale – Project Restore[6] | 1.2 | 3.9 | | 5.9 | 16.8 | 14.4 |
| *Pro forma* gross senior borrowings[7] | | | 1,025 | | | |
| *Pro forma* gross senior and junior borrowings[7][8] | | | 1,525 | | | |
| *Pro forma* cash and cash equivalents[7] | | | 42 | | | |
| *Pro forma* net senior and junior borrowings[7] | | | 1,483 | | | |
| Ratio of *pro forma* net senior and junior borrowings to EBITDA[7][9] | | | 4.7x | | | |
| Ratio of *pro forma* net senior borrowings to EBITDA[7][10] | | | 3.1x | | | |

Notes:

(1) EBITDA is presented to aid understanding of the Junior Group's results of operations and financial condition. The Junior Group defines EBITDA as operating profit (taken from the Junior Group's consolidated income statement data) before depreciation and amortisation, impairment charges, exceptional administrative expenses and one-off items where the earnings or charges are not considered to be indicative of the Junior Group's on-going operations, e.g. profit or loss on the disposal of non-current assets, as well as certain other items.

EBITDA is a supplemental measure of financial performance that is not required by, nor presented in accordance with, UK IFRS. EBITDA is not a measure of performance under UK IFRS and investors should not consider EBITDA as an alternative to (a) operating profit or profit for the period (as determined in accordance with UK IFRS) as a measure of the Junior Group's operating performance, (b) cash flows from operating investing and financing activities as a measure to meet the Junior Group's cash needs or (c) any other measures of performance under UK IFRS or generally accepted accounting principles. Investors should exercise caution in comparing EBITDA as reported by the Junior Group to EBITDA of other companies.

EBITDA has been included in this Offering Memorandum because it is a measure that the Junior Group's management uses to assess the Junior Group's operating performance. Please see "*Presentation of Financial and Other Information— Alternative Performance Measures*" for information on the limitations of EBITDA as an analytical tool.

(2) EBITDA margin is defined as EBITDA divided by Junior Group revenue.

(3) The Junior Group defines maintenance capital expenditure as expenditure that is incurred to deliver cost-savings, productivity enhancements, to extend the useful life of existing non-current assets, or replace worn out and obsolete non-current assets with new ones in order to support existing contracts.

(4) The Junior Group defines growth capital expenditure – contracted as capital expenditure that is incurred to deliver new or renewal revenues and which is supported by a signed customer contract.

(5) The Junior Group defines growth capital expenditure – non-contracted as capital expenditure that is incurred to deliver revenues and which is supported by a business case but on which there is no signed customer contract at the time at which expenditure is incurred and reported.

(6) The Junior Group defines Bilsdale – Project Restore capital expenditure as capital works in relation to the Bilsdale transmitter site following the fire in August 2021.

(7) Adjusted to give *pro forma* effect to the offering of the Notes hereby and the use of proceeds.

(8) For High Yield incurrence covenant testing, debt balance to be adjusted to include swap accretion accrued balance (£19m as of Dec-24) and lease liability to include only finance lease balance (£13m as of Dec-24).

(9) Calculated using LTM December 2024 EBITDA of £317 million, which consists of EBITDA of £309 million for the year ended 30 June 2024, *less* EBITDA of £147 million for the six-month period ended 31 December 2023, *plus* EBITDA of £155 million for the six-month period ended 31 December 2024. See "*Presentation of Financial and Other Information—Alternative Performance Measures*".

(10) Calculated using LTM December 2024 EBITDA of £317 million, which consists of EBITDA of £309 million for the year ended 30 June 2024, *less* EBITDA of £147 million for the six-month period ended 31 December 2023, *plus* EBITDA of £155 million for the six-month period ended 31 December 2024. See "*Presentation of Financial and Other Information—Alternative Performance Measures*".

### *Reconciliation of EBITDA to operating profit*

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated**[1] | **Restated**[1] | | **Restated**[1] | |
| | | | *(£ millions)* | | |
| EBITDA | 154.5 | 146.6 | 309.4 | 337.2 | 339.8 |
| Depreciation | (54.2) | (58.0) | (88.3) | (91.7) | (158.4) |
| Amortisation | (6.2) | (7.8) | (19.7) | (12.9) | (13.2) |
| Loss on disposal of fixed assets | — | — | — | (0.7) | (2.1) |
| Exceptional items charged to operating profit (excluding impairment) | (1.9) | (1.8) | (7.9) | (6.7) | (29.1) |
| Impairment of assets (Exceptional item) | — | — | — | (9.0) | (0.5) |
| Goodwill impairment (Exceptional item) | — | — | — | (117.8) | — |
| Other income | 3.9 | 3.9 | 9.9 | 7.8 | 7.7 |
| Exceptional other income | — | 16.0 | 16.0 | 20.0 | 5.0 |

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | Restated[1] | Restated[1] | | Restated[1] | |
| | | | *(£ millions)* | | |
| Exceptional service credits ..... | — | — | (2.8) | (15.3) | (7.6) |
| **Operating profit** | **96.1** | **98.9** | **216.6** | **110.9** | **141.6** |

Notes:

(1) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

### *Reconciliation of Operating Profit to Net cash inflow from operating activities*

| | Six-month period to 31 December | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | 2022 |
| | Restated[1] | Restated[1] | | Restated[1] | |
| | | | *(£ millions)* | | |
| Operating Profit | 96.1 | 98.9 | 216.6 | 110.9 | 141.6 |
| Depreciation or property, plant and equipment | 54.2 | 58.0 | 88.3 | 91.7 | 158.4 |
| Amortisation of intangible assets | 6.2 | 7.8 | 19.7 | 12.9 | 13.2 |
| Exceptional loss on disposal of assets | — | — | — | — | 9.5 |
| Non-refundable deposit on conditional sale .. | — | — | (0.2) | — | — |
| Gain on leaseback of sold asset | — | — | (1.9) | — | — |
| Loss / (profit) on disposal of property, plant and equipment | (0.5) | — | (0.5) | 0.7 | 2.1 |
| Gain on lease modification | — | (0.1) | (1.0) | (1.6) | — |
| Other income | (3.9) | (3.9) | (8.0) | (7.8) | (7.7) |
| Revenue service credits | — | — | 2.8 | 15.3 | 7.6 |
| Receipt of insurance stage payments | — | (16.0) | (16.0) | (20.0) | (5.0) |
| Impairment of goodwill and assets | — | — | — | 126.8 | 0.5 |
| Contribution into the DB Pension scheme | (0.1) | — | — | — | — |
| Curtailments relating to the DB Pension Plan | — | — | — | — | 0.6 |
| Working capital movement | (58.0) | (21.0) | (16.8) | (51.5) | 15.3 |
| **Net cash inflow from operating activities** | **94.0** | **123.7** | **283.0** | **277.4** | **336.1** |

Notes:

(1) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

## Financial Covenant Ratios and Senior Trigger Events

| | Historic | | | Projected[4] | | | | |
|---|---|---|---|---|---|---|---|---|
| | 30 June 2022 | 30 June 2023 | 30 June 2024 | 31 December 2024 | 30 June 2025[1][3] | Trigger Threshold | Consequence of Trigger | Event of Default Threshold |
| Senior Historic Net Debt to EBITDA Ratio | 2.93x | 2.97x | 3.06x | 3.09x | 2.93x | 6.50x[2] | | 6.00x |
| Senior Historic Cashflow DSCR[5] | 2.76x | 2.92x | 2.49x | 3.13x | 2.48x | 1.3x | Distribution lock up | 1.05x |
| Senior Historic Cashflow ICR[6] ..... | 5.76x | 5.56x | 4.17x | 4.63x | 4.29 x | 2.00x | | 1.55x |
| Historic Net Debt to EBITDA Ratio ..... | N/A | 4.30x | 4.51x | 4.44x | N/A | N/A | | N/A |

Notes:

(1) Calculated using Projected EBITDA which was estimated between £302 and £318 million for 30 June 2025.

(2) Whilst trigger threshold is at 6.50x, the Junior Group has entered a separate Limited Payment covenant at 5.00x which restricts distributions outside the Senior Financing Group.

(3) Projections calculated as at 18 September 2024. The management of the Junior Group have reviewed the Projected EBITDA against latest information being ten months actuals and two months forecasts and the Projected EBITDA remains unchanged from the Projected EBITDA published on 18 September 2024.

(4) See section "*Forward Looking Statements*".

(5) The Cashflow DSCR is calculated as the ratio of Cashflow to Debt Service as defined in the Common Terms Agreement

(6) The Cashflow ICR is calculated as the ratio of Cashflow to Net Interest Payable as defined in the Common Terms Agreement

## Projected EBITDA

The table below presents the Junior Group's Projected EBITDA for the financial year ended 30 June 2025. See *"Presentation of Financial and Other Information— Alternative Performance Measures*" and "*Forward Looking Statements*".

Projected EBITDA is based on management estimates, is not part of the Junior Group's consolidated financial information or financial accounting records and has not been audited or otherwise reviewed by independent auditors, consultants or experts. The Junior Group's use or computation of this metric may not be comparable to the use or computation of a similarly titled measures reported by other companies in the broadcast, media or communications industry. Projected EBITDA should not be considered in isolation or as an alternative measure of performance. This metric is forward looking information that is subject to significant risks and uncertainties that could cause the actual results and financial position of the Junior Group to differ materially. Investors are cautioned to not place undue reliance on such forecast data. See *"Forward Looking Statements*".

The prospective financial information included in this Offering Memorandum has been prepared by, and is the responsibility of management. PricewaterhouseCoopers LLP has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the accompanying prospective financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any form of assurance with respect thereto. The PricewaterhouseCoopers LLP reports incorporated by reference to this document relates to the Group's previously issued financial statements. It does not extend to the prospective financial information and should not be read to do so.

The Junior Group and its management believe that unaudited Projected EBITDA has been prepared on a reasonable basis, reflecting the best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Junior Group's expected course of action. The Junior Group and its management believe that the Junior Group is on track to meet the Projected EBITDA figure set out below. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results.

For details regarding the assumptions made in respect of the prospective financial information below, see "*Presentation of Financial and Other Information – Projected EBITDA*".

| | **Year ended 30 June 2025** |
|---|---|
| | *(£ millions)* |
| Projected EBITDA..... | 302 to 318 |

## USE OF PROCEEDS AND REFINANCING MECHANICS

The Junior Group estimates that net proceeds (net of transaction fees and expenses) from the issuance of the Notes offered hereby will be approximately £491 million.

The proceeds of the Notes will be on-lent by the Issuer to AF No 2 by way of Intercompany Loans under the Intercompany Loan Agreement. AF No 2 will use the proceeds of the Intercompany Loans to repay in full the Existing Junior Debt, such repayment to be effective upon such time that the relevant agent under the Existing Junior Debt has received all amounts owing in respect of the Existing Junior Debt and that it has paid such amount to each of the creditors of the Existing Junior Debt (the "**Existing Junior Debt Creditors**") (the "**Existing Junior Debt Repayment**").

As the Existing Junior Debt Repayment will be made using proceeds from the issuance of the Notes offered hereby, the existing security package provided to the Existing Junior Debt Creditors (the "**Existing Security Package**") will not be discharged until the Existing Junior Debt Repayment has been made in full. Therefore, there will be a momentary gap between the Existing Security Package being released by the Existing Junior Debt Creditors in satisfaction of the Existing Junior Debt Repayment, and the Transaction Security ranking in priority in accordance with its terms in favour of the Noteholders. Hence, whilst the Notes at all times from and including the Issue Date benefit from the Transaction Security, at the time of issuance the subject of the Transaction Security remains part of the Existing Security Package and therefore the Transaction Security ranks subordinate in priority to such Existing Security Package until such time as the Existing Junior Debt Repayment has been effected. A public announcement shall be made upon completion of the Existing Junior Debt Repayment and release of the Existing Security Package. Such gap is expected to be no longer than 1 Business Day (as defined in the Terms and Conditions).

The relevant forms registering and perfecting the Transaction Security will be filed with Companies House concurrently with the execution of the Transaction Documents. Promptly upon the Existing Junior Debt Repayment being made, the relevant forms registering the release of the Existing Security Package will be filed with Companies House.

The following table describes the sources and uses in connection with the refinancing. The actual amounts as compared to those set out in the table and in the accompanying footnotes are subject to adjustments and may differ at the date of issuance of the Notes offered hereby depending on several factors, including differences from the estimation of fees and expenses.

| **Sources** | **Amount** | **Uses** | **Amount** |
|---|---|---|---|
| | *(£ millions)* | | *(£ millions)* |
| Notes offered hereby[(1)] | 500.0 | Repay Existing Issuer Debt | 450.0 |
| | | Accrued Interest on Existing Junior Debt | 11.0 |
| | | Swap early termination fees within the Existing Junior Debt[(2)] | 5.0 |
| | | Fees and expenses[(3)] | 9.0 |
| | | Cash on the balance sheet[(4)] | 25.0 |
| Total sources | 500.0 | Total uses | 500.0 |

Notes:

(1) Represents the gross proceeds from the issuance of Notes of £500.0 million. See "*Terms and Conditions*".

(2) Represents the early termination fees payable to the swap counterparties under the Existing Junior Debt.

(3) Represents the estimated fees and expenses associated with the refinancing of the Existing Junior Debt, the issue and sale of the Notes offered hereby, including the Joint Global Coordinators and Joint Bookrunners' fees and commissions, financing fees, upfront fees, advisory fees and other transaction costs and professional fees. Actual fees and expenses may differ.

(4) Represents cash on the Group's balance sheet to be used for general corporate purposes.

## CAPITALISATION

The following table sets out the consolidated cash and cash equivalents and capitalisation of the Junior Group as at 31 December 2024 on (1) an actual basis based on the Junior Group's audited financial statements at 31 December 2024, and (2) as adjusted to reflect the offering of the Notes offered hereby.

No assurance can be given that the transactions described above will be completed or that a particular principal amount of the Notes will be issued. These adjustments have been prepared for illustrative purposes only and address a hypothetical situation as at 31 December 2024, and therefore do not represent the Junior Group's actual cash and cash equivalents and capitalisation as at that date.

Except as set forth below, there have been no material changes to the Junior Group's capitalisation since 31 December 2024.

This table should be read in conjunction with "*Transaction Overview—The Notes, The Intercompany Loans and Use of Proceeds and Transaction Security*", "*The Offering*", "*Use of Proceeds and Refinancing Mechanics*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* and the Junior Group's Financial Statements and notes thereto included elsewhere in this Offering Memorandum.

| | As at 31 December 2024 | | |
|---|---|---|---|
| | **Actual** | **Adjustments** | **As Adjusted for the offering of the Notes offered hereby** |
| | **Unaudited (£ millions)** | | |
| Senior Working Capital Loan (£135 million)[9] | 26 | - | 26 |
| Senior Liquidity Facility (£150 million) | - | - | - |
| Senior Bonds and USPP | 939 | - | 939 |
| *GBP Senior Fixed Rate Notes*[3][4][5] | *627* | - | *627* |
| *GBP/USD Fixed/Floating USPP*[6][7][8] | *312* | - | *312* |
| Lease Liabilities[10] | 57 | - | 57 |
| **Total Senior Gross Debt** | **1,022** | **-** | **1,022** |
| Existing Junior Loan[11] | 450 | (450) | - |
| New Junior Notes[12] | - | 500 | 500 |
| **Total Gross Debt**[2] | **1,472** | **50** | **1,522** |
| Cash and cash equivalents[1] | (17) | (25) | (42) |
| **Total Net Debt**[13] | **1,455** | **25** | **1,480** |

(1) Represents restricted cash held in the escrow account with the pensions trustee for any potential shortfall of the Junior Group's defined benefit pension scheme liabilities which has since been discontinued for future accrual. At the time of the Offering Memorandum this cash has since been released.

(2) A new £45.0 million liquidity facility will be entered into by Arqiva Broadcast Finance Plc as borrower and Arqiva Broadcast Parent Limited, Arqiva Financing No 2 Limited and Arqiva Broadcast Intermediate Limited as guarantors. As of the date of this Offering Memorandum, no drawings were outstanding.

(3) Represents the 4.88% sterling denominated bonds issued by Arqiva Financing plc, which will mature in December 2032. See "*Description of Certain Financing Arrangements—Senior Notes*".

(4) Represents the 5.34% sterling denominated bonds issued by Arqiva Financing plc, which have an expected maturity in June 2030. See "*Description of Certain Financing Arrangements—Senior Notes*".

(5) Represents the 7.21% sterling denominated bonds issued by Arqiva Financing plc, which have an expected maturity in June 2028. See "*Description of Certain Financing Arrangements—Senior Notes*".

(6) Represents the sterling denominated floating rate USPP that are amortising in nature and will mature in June 2029. See "*Description of Certain Financing Arrangements—US Private Placements*".

(7) Represents the sterling denominated floating rate USPP that are amortising in nature and will mature in December 2029. See "*Description of Certain Financing Arrangements—US Private Placements*".

(8) Represents the US dollar denominated fixed rate USPP issued by Arqiva PP Financing plc, which will mature in June 2031. See "*Description of Certain Financing Arrangements—US Private Placements*".

(9) Represents the aggregate working capital facility, with an expected maturity date of July 2026. As described in "*Description of Certain Financing Arrangements—Senior Working Capital Facilities Agreement*", the working capital facility of up to £35.0 million on a committed basis under a facility agreement dated 15 December 2022 will be cancelled on or about the date of this Offering Memorandum. Following the cancellation, up to £100.0 million of the working capital facility will be available.

(10) Leases are accounted for under IFRS16, where 'a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For the incurrence covenant testing, leases liability will include only finance lease balance (£13m as of December 2024).

(11) Represents the junior loan at a floating rate of SONIA + 5.00% with an expected maturity date of March 2028, which will be repaid in connection with the Transactions and excludes accrued interest.

(12) Represents the notes offered hereby and excludes associated transaction fees and expenses.

(13) For the incurrence covenant testing, debt balance to be adjusted to include swap accretion accrued balance of £19 million as of December 2024.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion should be read in conjunction with the sections entitled "Presentation of Financial and Other Information" and "Summary Historical Consolidated Financial and Other Information" as well as with the Financial Statements and notes thereto contained in this Offering Memorandum. The Junior Group's audited consolidated financial statements as at and for each of the years ended 30 June 2022, 2023 and 2024 were prepared in accordance with UK IFRS. Each of the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial years ended 30 June 2024, 2023 and 2022 have not been restated to reflect the restatement of historical financial information described under section "Presentation of Financial and Other Information—Restatement" above.*

*This discussion contains forward-looking statements regarding events and trends that are subject to risks and uncertainties that could cause the actual results and financial position of the Junior Group to differ materially from those anticipated in these forward-looking statements as a result of a number of factors, including those set out in "Risk Factors" and the "Forward Looking Statements" disclaimer in this Offering Memorandum.*

### Recent Developments

The items set out below under the heading "Recent Developments" represent recent developments in the Group's business in the quarter ending 31 March 2025, unless another date is specified.

Management have reviewed the Projected EBITDA against latest information being ten months actuals and two months forecasts and the Projected EBITDA remains unchanged from the Projected EBITDA published on 18 September 2024.

*Media Distribution*

DTT Multiplexes

DTT platform capacity utilisation remained at over 99% during the last complete financial year period ending June 2024. The Group are in discussions with a number of large customers to extend contracts to the early 2030s, with two having concluded in April 2025, covering 5 channels on the platform.

Radio

Both national DAB multiplexes remain fully occupied with 80% of Digital 1 ("D1") multiplex capacity being contracted until 2035. The second national multiplex also has a significant number of contracts secured until its current licence end date of 2028.

The network of local DAB multiplexes experienced an average of 83% occupation with significant contracts secured to 2030. AM site disposals continue with the talkSPORT network shutting down a further 7 transmitters as forecasted. FM renewals have continued, securing a number of contracts out to 2030.

Direct to Home (DTH)

The DTH platform remains close to full capacity, supported by renewals secured to 2029 with a number of key customers.

Media Management Products

The Group has secured a contract to migrate Hearst Networks to cloud-based Video on Demand (VOD) platform. Delivering VOD assets across 40+ Pay TV and OTT platforms across EMEA from mid-2025.

Arqplex, the Group's on premise and cloud multiplexing deployment, is in service, supporting multiple PSB and global customers to deliver their content to millions of people in the UK and internationally.

Arqade, the Group's cloud-based video content exchange product enables media companies to interchange their content with multiple platforms efficiently across the world. The Group currently deliver all feeds for a large global media company outside the Americas via Arqade as well as deployments for many other global media groups. The Group now has over 700 channels accessible within the Arqade platform.

Arqads, the Group's product which enables smart advertising to be delivered on both DTH and DTT channels, facilitates targeted ad insertion into television channels, enhancing the precision and relevance of television advertising to boost revenue generation. The Arqads product enables new customer services for Sky AdSmart, by hosting a portfolio of channels supporting two major media organisations to monetise their channels more effectively on the Sky Platform. Product features are in development to support targeted advertising on the Freeview TV platform, and are targeted to launch mid-2025.

Position, Navigation and Timing (PNT) services (eLoran)

In November 2024, the Group announced a partnership with Hellen Systems to develop a commercial eLoran service in the UK. eLoran is a sovereign, independent, resilient terrestrial radio navigation system, providing an alternative to the existing global PNT services.

*Smart Utilities Networks*

DCC

The Group continues to deliver the network providing coverage to premises in the North of England and Scotland regions, under the existing contract. Positive discussions are being held in relation to the DCC contract position in 2028.

Anglian Water

Since the award of the Anglian Water contract in June 2020, the Group has deployed 1.1 million meters during the 2020-2025 regulatory period. The Group's performance to date has resulted in Anglian Water awarding the Group a contract to roll out an additional 1.1 million meters with associated network, covering their AMP8 regulatory period (2025-2030) roll out plans. The contract will operate for 20 years from the start of the rollout. Anglian Water has also increased its focus on adding sensors to the network with both sewer level and chlorine sensors being developed for trial this year. Six Network AMP8 sites have been delivered up to the end of March 2025.United Utilities

In December 2024, United Utilities awarded the Group a contract of at least 15 years to provide 1.1 million meters in support of their AMP8 smart meter rollout programme. The Group is the prime contractor in a new-to-market configuration providing the communication network, meters and consumer side installation services. The network deployed will cover the majority of the United Utilities region in the Northwest of England and will offer the potential of a further growth opportunity of 2 million meters during AMP9 (2030-2035) and AMP10 (2035-2040). Four Network sites have been delivered up to the end of March 2025.

Affinity Water

In December 2024, the Group signed a 15-year contract with Affinity Water, to provide 0.4 million meters in support of their AMP8 smart meter rollout programme. The Group will provide the communications network, managed service and meters. Affinity Water's overall programme for smart meters is 1.2 million which will offer the potential for new growth opportunities during AMP9 and AMP10. 76 LoraWan Gateways and more than 20,000 meters have been installed to the end of March 2025.

Thames Water

Since April 2015, the Group has delivered a smart metering network for Thames Water and in January 2025 achieved delivery of over 1.2 million meters. This is the largest smart water metering network in the UK and has high coverage across the Thames Water London region.

Portsmouth Water

In February 2025, the Group has signed a 20-year contract with Portsmouth Water (consisting of 8 years' delivery and 12 additional years providing support service) to install 326,568 total meters (157,900 in AMP8 and 168,668 in AMP9) in support of their AMP8 smart meter programme, the Group will provide the communications network, managed service and meters. In the period to March 2025, one mast and 520 meters have been installed.

SGN Hybrid Connectivity

Since the original 5-year contract was awarded by SGN in 2024 to the Group to provide connectivity solutions for 230 of their sites, the Group expanded this contract in November 2024 to serve an additional 174 sites over the 5-year period.

**Description of Certain Income Statement Line Items**

**Revenue**

Revenue represents the gross inflow of economic benefit for services provided utilising the Junior Group's communications infrastructure, completion of significant engineering projects and the sale of communications equipment. Revenue is stated net of value added tax. Revenue is measured at the fair value of the consideration received or receivable.

*Media and Broadcast*

Revenue from Media and Broadcast primarily comprises DTT transmission and Radio Transmission, DTT capacity, and Managed Media Services segments.

*Smart Utility Networks*

Revenue from Smart Utilities Networks primarily comprises recurring services related to the provision of metering connectivity to electricity and gas companies in Northern England and Scotland and the provision of utility meter monitoring systems used to help reduce water wastage.

**Cost of sales**

Cost of sales includes costs that are either variable in line with changes in revenue or can be directly attributable to the provision of products or services. Cost of sales includes items such as the cost of rent, business rates, power and video stream capacity and charges relating to the movement of data around the Junior Group's infrastructure, for example to the main transmission sites and multiplexing sites. It also includes third party project delivery costs and a number of maintenance (including internal staff costs), equipment hire, software maintenance and facility costs. See "*Business—Media and Broadcast Business Function*".

**Depreciation**

Depreciation includes depreciation of owned fixed assets and depreciation of assets held under finance leases.

**Amortisation**

Amortisation includes amortisation of intangible assets. Amortisation is charged to the income statement on a straight line basis over the estimated useful life of the asset, which is considered to be up to ten years or the length of the contractual agreement / licence. In no cases does this exceed 20 years.

**Exceptional operating expenses**

Exceptional operating expenses represent any exceptional costs incurred by the Junior group such as impairment of goodwill, restoration costs, restructuring and severance costs.

**Other operating expenses**

Other operating expenses represent operating costs of the business that are not directly variable in line with changes in revenue, such as staff costs not associated with the maintenance of customer contracts or networks and the majority of corporate support costs. Such costs include the salaries and wages of employees, licence and operating arrangement fees, sales and marketing costs, travel and consultancy fees.

**Other income**

Other income includes the gross inflow of economic benefit for services provided which do not qualify as revenue. This includes certain government grants.

**Share of results of associates and joint ventures**

Share of results of associates and joint ventures represents the Junior Group's percentage share of profit generated by its associates and joint venture companies. Associates and joint ventures are accounted for using the equity method.

**Finance income**

Finance income represents interest received on bank deposits, finance leases and other loans and receivables relating to joint ventures as well as dividends received from investments.

**Finance costs**

Finance costs comprise the expense of servicing the Junior Group's financing arrangements, the amortisation of any associated costs of putting such arrangements in place, as well as the unwinding of discounts on provisions relating to matters such as decommissioning.

**Other gains and losses**

Other gains and losses represents fair value gains and losses under the Junior Group's hedging arrangements, profits/losses on the sale of subsidiaries and exceptional gains/losses on the close out of swap arrangements and the disposal of swap options.

**Tax**

Tax represents the corporation tax charge on the Junior Group's profit or loss for the year, and includes both current and deferred taxation. Current year tax is the expected tax payable on the taxable income for the year, using rates enacted or substantively enacted in each jurisdiction at the end of the reporting period, and any adjustments in respect of previous periods.

**Results of Operations**

The following table sets forth certain of the Junior Group's income statement data for the periods indicated:

| | Six-month period to 31 December *(unaudited)* | | Year Ended 30 June | | |
|---|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** | **2022** |
| | **Restated**[1] | **Restated**[1] | | **Restated**[1] | **Restated**[2] |
| | | | *(£ millions)* | | |
| Revenue[3] | 305.4 | 324.1 | 645.2 | 613.3 | 598.2 |
| Cost of sales | (102.7) | (123.8) | (230.5) | (195.4) | (178.9) |
| **Gross profit** | 202.7 | 200.3 | 414.7 | 417.9 | 419.3 |
| Depreciation | (54.2) | (58.0) | (88.3) | (91.7) | (158.4) |
| Amortisation | (6.2) | (7.8) | (19.7) | (12.9) | (13.2) |
| Other operating expenses | (48.2) | (53.7) | (108.1) | (96.7) | (89.2) |
| Exceptional operating expenses and impairment | (1.9) | (1.8) | (7.9) | (133.5) | (29.6) |
| Total operating expenses | (110.5) | (121.3) | (224.0) | (334.8) | (290.4) |
| Other income | 3.9 | 3.9 | 9.9 | 7.8 | 7.7 |
| Exceptional other income | — | 16.0 | 16.0 | 20.0 | 5.0 |
| **Operating profit** | 96.1 | 98.9 | 216.6 | 110.9 | 141.6 |
| Finance income | 0.9 | 2.5 | 4.8 | 4.1 | 2.5 |
| Finance costs | (171.0) | (158.0) | (324.9) | (299.9) | (279.6) |
| Other gains and losses[4] | 5.8 | (8.1) | (10.6) | (28.2) | (77.6) |
| **Loss before tax** | **(68.2)** | **(64.7)** | **(114.1)** | **(213.1)** | **(213.1)** |
| Tax | (9.0) | (11.6) | 10.6 | 15.1 | 40.0 |
| **Loss for the year** | **(77.2)** | **(76.3)** | **(103.5)** | **(198.0)** | **(173.1)** |

Notes:

(1) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

(2) Previously disclosed in annual Consolidated Financial Statements to 30 June 2023, note 12; restated to reflect a reclassification between the consolidated income statement and the consolidated statement of changes in equity.

(3) Including exceptional service credits.

(4) Including exceptional other gains and losses.

## Six-Month Period Ended 31 December 2024 Compared to Six-Month Period Ended 31 December 2023

### Revenue

For the six-month period ended 31 December 2024, revenue for the Junior Group was £305.4 million, a decrease of 5.8% from the prior year period. All revenue is associated with the commercial function of the business.

*Media and Broadcast*

Revenue for the Junior Group's Media and Broadcast business during the six-month period ended 31 December 2024 was £237.9 million, representing a 1.4% decrease from £241.4 million in the prior year

period. The Junior Group's TV and radio distribution products have remained strong and stable with inflationary increases linked to retail price index ("**RPI**") indexation on these long-term contracts. Customer passthrough of power costs have reduced versus prior period, through a successful power cost hedging strategy and lower usage driven by re-engineering efficiencies. Market pressures have impacted some of the Group's digital terrestrial television ("**DTT**") and direct-to-home ("**DTH**") capacity customers, including advertising revenue movements and the adverse impact of the cost of living crisis on shopping channel business models, resulting in impacts on renewal pricing with some customers terminating, negating the core RPI increases. However, new channel launches in the period saw both DTT and DTH platforms remaining close to fully utilised and the Junior Group remains optimistic about this market segment.

*Smart Utilities Networks*

Recurring services revenues were down 18.4% period on period from £82.7 to £67.5 million, devices (sale of goods) down 54.3% from £28.2 million to £12.9 million. Network service revenue continues to be stable, driven by indexation linked increases plus additional water site operation revenues, through incremental site delivery. Recurring revenues have remained strong and stable in the period and negate the prior period significant one-off network change request that has not been repeated. Device volumes were down for the Junior Group's water customers, following post-pandemic silicon shortage catch up deliveries last year and as the Junior Group reaches end of the asset management period ("**AMP**") 7 deliveries, with AMP8 volumes to start in the second half of FY25.

Smart Utilities Networks revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment following the sale of the telecoms business to Cellnex which have remained in line with prior period expectations.

**EBITDA**

For the six months ended 31 December 2024, EBITDA for the total reported Junior Group was £154.5 million, a 5.4% increase from £146.6 million in the prior year period.

| | Six Months Ended 31 December | | |
|---|---|---|---|
| | 2024 | 2023 | % Change |
| | Restated[1] | Restated[1] | |
| | (unaudited) | | |
| | (£ millions, except percentages) | | |
| ***EBITDA*** | | | |
| *Commercial* | | | |
| Media and Broadcast | 166.2 | 163.4 | 1.7% |
| Smart Utilities Networks | 29.7 | 31.4 | (5.4)% |
| *Other* | | | |
| Corporate | (9.3) | (16.3) | 42.9% |
| Operations | (11.9) | (12.8) | 7.0% |
| Technology | (20.2) | (19.1) | (5.8)% |
| **Total Junior Group EBITDA (excluding exceptionals)** | 154.5 | 146.6 | 5.4% |

Notes:

(1) Please see "*Presentation of Financial and Other Information—Restatement*" for further details as to each restatement applied to this primary statement.

*Media and Broadcast*

EBITDA for the Junior Group's Media and Broadcast business during the six-month period ended 31 December 2024 was £166.2 million, representing a 1.7% increase from £163.4 million in the prior year period. The Junior Group's effective power hedging strategy, securing lower prices plus the benefit of power consumption efficiency gains from re-engineering projects has resulted in lower power usage and therefore strengthened gross margin underpinning the core Media and Broadcast products.

*Smart Utilities Networks*

EBITDA for the utilities business decreased between the two 6-month periods by 5.4% from £31.4 million in the prior year period, down to £29.7 million. As with revenue, the expected lower device volumes across the Junior Group's water contracts resulted in reduced absolute device gross profit. Underlying core service margins remain stable, prior period included one off change recognitions not repeated.

**Corporate**

Corporate EBITDA represents costs for the support functions such as finance, legal and human resources (HR) services. EBITDA for this function improved by 42.9% to a loss of £9.3 million for the six-month period to 31 December 2024 from a loss of £16.3 million in the prior year period. This improvement in EBITDA benefits from of the one-off release of prior period circuit cost accruals and bonus and incentive programme accrual releases in the period, which were not seen in the prior year period.

**Operations**

The operations functional segment ("**Operations Function**") is responsible for the efficient operation and maintenance of all Junior Group services including field engineers, disaster recovery and network operations. EBITDA for the Operations Function benefited from cost reductions, reducing the loss by 7.0% from a loss of £12.8 million in the prior year period to a loss of £11.9 million in the six months to 31 December 2024. The cost reduction is due to a better utilisation of the mix of the team on projects resulting in an increase in labour recoveries against capex projects, reducing net labour costs, plus one-off benefit relating to review of lease renewal programmes.

**Technology**

EBITDA for the technology function ("**Technology Function**") for the six-month period ended 31 December 2024 was a loss of £20.2 million, a 5.8% decrease in EBITDA from a loss of £19.1 million in the prior year period. The increase in loss is mainly due to consultancy and agency fees, combined with software licence and support costs arising from the transformation of information technology (IT) systems.

**Depreciation**

Depreciation for the Junior Group during the six-month period ended 31 December 2024 was £54.2 million, a decrease of 6.6% from the prior year period figure of £58.0 million. The decrease is primarily driven by a reduction in accelerated depreciation, compared to the prior period, particularly in connection with assets replaced under the 700MHz clearance programme.

**Amortisation**

Amortisation for the Junior Group during the six-month period ended 31 December 2024 was £6.2 million, a decrease of £1.6 million from £7.8 million in the prior year period. The decrease is driven by a one-off amortization catch-up in the prior period, which has not been repeated.

**Exceptional operating expenses and impairment**

Exceptional operating expenses for the Junior Group during the six-month period ended 31 December 2024 totalled £1.9 million, relating to reorganisation and restoration costs (£1.8 million incurred in the prior year period).

**Net bank and other loan interest**

Net bank and other loan interest for the Junior Group for the six-month period was £56.8 million compared to £55.1 million in the prior year period. This increase was as a result of higher interest charges on inflation linked swap instruments held as well as increased use of the working capital facility in the period.

**Other interest**

Other interest for the Junior Group for the six-month period was £16.1 million, compared to £17.8 million in the prior year period. Other interest is primarily non-cash and principally the sum of amortisation of debt issue costs, interest on lease obligations, other interest and imputed interest.

**Interest payable to group undertakings**

Interest payable to group undertakings for the six-month period was £98.1 million, compared to £89.3 million in the prior year period. The increase is due to the compounding of outstanding interest balances.

Other gains and losses

Other gains include net gains of £5.8 million (31 December 2023: £8.1 million loss) recognised as a result of fair value movements of swaps, principally attributable to changes in forward market rates and credit spreads.

**Financial position**

As at 31 December 2024 net liabilities for the Junior Group were £1,147.3 million, an increase of 12.1% from £1,023.4 million in the prior year period. The net liability position is primarily driven by the borrowings and derivative financial instruments held by the Junior Group.

## Financial Year Ended 30 June 2024 Compared to the Financial Year Ended 30 June 2023

**Revenue**

For the year ended 30 June 2024, revenue for the Junior Group was £645.2 million, an increase of 5.2% from £613.3 million in the prior year. Whilst both of the Junior Group's business functions saw growth during FY24, the Junior Group saw a larger relative growth in the Junior Group's Smart Utilities Networks function of 8.6%, compared to Media and Broadcast of 4.1%.

| | Year Ended 30 June | | |
|---|---|---|---|
| | 2024 | 2023 | % Change |
| | (£ millions, except percentages) | | |
| ***Revenue*** | | | |
| Media and Broadcast | 481.3 | 462.4 | 4.1 |
| Smart Utilities Networks | 163.9 | 150.9 | 8.6 |

| | | | |
|---|---|---|---|
| **Total Junior Group revenue** | **645.2** | **613.3** | **5.2** |

*Media and Broadcast*

Total Media and Broadcast revenue increased by 4.1% year on year from £462.4 million to £481.3 million. The Junior Group's core broadcast TV and radio distribution products remained strong and stable during FY24 with RPI linked inflationary increases on long-term contracts as well as the passthrough of a proportion of power costs to customers.

This increase has been partially offset by the impact of pricing pressures on renewals across the Junior Group's DTT channels. The Junior Group has also experienced a number of channel vacancies following customer administration and non-renewal due to challenging customer trading conditions. However, the Junior Group's commercial DTT multiplexes have remained fully utilised throughout the year, following the launch of replacement customer channels. Although the Junior Group's managed media services product has also experienced year on year decreases due to customer terminations.

The Junior Group's final revenue figures have also been impacted by the settlement of customer service credit claims arising from the service disruption at the Junior Group's Bilsdale broadcast site, £2.8 million in FY24 (2023: £15.3 million). Because the Junior Group already had a significant provision for expected settlement payments, the Junior Group was able to offset this against the latest tranche of payments, so the net impact of payment was lower during FY24 compared to prior years.

The Junior Group saw higher power costs during FY24. A large percentage of these costs are passed through to the Junior Group's customers in cost of sales and as a consequence the Junior Group has experienced higher revenues from power passthrough.

*Smart Utilities Networks*

The Smart Utilities Networks function saw an 8.6% increase in revenue year on year, from £150.9 million to £163.9 million. This is mainly due to the increased volumes of device sales across water and energy metering contracts.

Strong growth in water metering has been driven by the roll out of additional network sites and increased sales of devices. Device sales have been particularly strong on the Thames Water and Anglian Water contracts, clearing much of the supply backlog following post-pandemic component shortages. During FY24 the Junior Group has also benefited from a significant one-off change request for the scaling and optimisation work on the CPSN network.

The Smart Utilities Networks revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment as well as transitional services that have been provided following the sale of the telecoms business to Cellnex. During FY23 the Junior Group benefited from a one-off Cellnex transaction that has not been repeated in FY24.

**EBITDA**

Total EBITDA was £309.4 million, a decrease of 8.2% compared to the prior year of £337.2 million.

| | Year Ended 30 June | | |
|---|---|---|---|
| | **2024** | **2023** | **% Change** |
| | **(£ millions, except percentages)** | | |
| ***EBITDA*** | | | |

| | | | |
|---|---|---|---|
| *Commercial* | | | |
| Media and Broadcast | 341.3 | 352.3 | (3.1)% |
| Smart Utilities Networks | 65.5 | 70.9 | (7.6)% |
| **Total Commercial** | **406.8** | **423.2** | **(3.9)%** |
| Operations | (25.0) | (23.3) | (7.3)% |
| Technology | (37.2) | (32.4) | (14.8)% |
| Corporate | (35.2) | (30.3) | (16.2)% |
| **Total Junior Group EBITDA** | **309.4** | **337.2** | **(8.2)%** |

Despite the increase in revenue, EBITDA has been significantly impacted by a rise in power costs and additional people costs; the prior year benefitted from surplus bonus and incentive programme accrual releases that were not repeated during FY24.

*Media and Broadcast*

Media and Broadcast EBITDA decreased by 3.1%, from £352.3 million to £341.3 million. Despite overall revenue increases, EBITDA had been eroded by several factors: the loss of high margin DTT channel customers, contract renewal price pressures, increased power costs. The dual running transition phase from Arqnet2 to Arqnet3 has also increased running costs for the Media and Broadcast business.

*Smart Utilities Networks*

EBITDA for the Smart Utilities Networks function has decreased £5.4 million (7.6%) from £70.9 million to £65.5 million. Despite the increased revenues from higher volumes of devices sales, this has had minimal impact on EBITDA. The reduction in profitability year on year primarily relates to the non-recurrence of prior year one-off revenue.

*Other Functions*

The Operations Function is a non-revenue generating part of the business responsible for the efficient operations and maintenance of all Junior Group services including field engineers, disaster recovery and network operations. The cost of the Operations Function has increased by 7.3% from £23.3 million to £25.0 million. The increase is predominantly due to increased staff costs driven by the annual pay rise and increased headcount.

EBITDA decreased further due to the non-revenue generating Technology Function, which has seen costs rise to £37.2 million, an increase of 14.8% from £32.4 million in the prior year. The increase in cost is mainly due to the nature of the project work resulting in lower capitalisation of overheads in the year. Licence costs have increased reflecting more use of cloud-based software-as-a-service applications. This has been partially offset by a reduction in one-off costs incurred in the prior year in relation to the Junior Group's digital enterprise platforms, resulting from the transformation programme and higher consultancy project costs.

Corporate EBITDA represents costs for the support functions such as finance, strategy & regulatory, legal, human resources (HR) services as well as the executive team. Overall EBITDA decreased as result of cost increases of 16.2% for this function rising from £30.3 million to £35.2 million during FY24. The costs incurred during FY24 are largely in line with the prior year, with an increase due to higher insurance costs. However the prior year's results also benefitted from the release of surplus bonus and incentive programmes accruals.

Operating expenses have increased reflecting the wider cost of living and wage inflation pressures. Headcount has also been increased to support business growth, fill prior year vacancies and to reduce reliance on higher cost contract staff. Additional consultancy fees have been incurred in the year to support the development of growth strategies and target market assessment.

Capital expenditure has grown in line with new business and renewal sales activity. Maintenance expenditure has performed broadly in line with prior year.

The Bilsdale restoration project incurred cost overruns as a result of bad weather delays during the winter of 2023. These costs are presented within exceptional operating expenses.

In the year, depreciation decreased by £3.4 million (2024: £88.3 million; 2023: £91.7 million). The decrease in depreciation is driven by a reduction in accelerated depreciation, compared to prior year, particularly in connection with assets replaced under the 700MHz clearance programme. Further decreases are due to the reassessment of the calculation of depreciation in relation to the 700MHz clearance programme.

Amortisation expense increased by 52.7% in the year, from £12.9 million to £19.7 million. This has been driven by an increase in the purchases of intangible assets and completion of assets under the course of construction, which have been capitalised during FY24. This increase is linked to the scaling of growth areas of the business that use more intangible assets than the historic activities of the business.

Exceptional operating expenses charged to operating profit were £7.9 million, a decrease from £133.5 million in 2023. Exceptional costs in the prior year include the restated impairment charge of £126.8 million, relating to the SUN CGU goodwill balance and reduction of other intangible and PPE assets. In the current year, exceptional costs predominantly relate to the restoration costs arising from the Bilsdale fire, restructuring and severance costs and costs associated with the one-off pension buy-in. The pension buy-in was instigated to de-risk the defined benefit pension scheme as a result of which the Junior Group had to make supplementary payments to the pension liabilities. Exceptional operating expenses are excluded from EBITDA.

The Junior Group continued to engage with insurers regarding the Bilsdale fire. A final stage payment of £16.0 million was received from the insurers in the year (2023: £20.0 million, 2022: £5 million) which had been recognised as exceptional other income in the income statement, bringing the total insurance payments received to £41 million.

Operating profit (including impairment impact in FY23), increased by 95.3% from £110.9 million in 2023 to £216.6 million in 2024. This is due to a goodwill and asset impairment in FY23 totalling £126.8 million. Excluding the impact of the FY23 impairment, Operating profit decreased by 9.7% from £237.7 million in 2023 to £216.6 million in 2024. The decrease has been driven by several factors: revenue mix (high margin products, renewal price pressure and customer losses, plus growth in low margin smart metering device sales), combined with increases in cost of sales, higher power costs, and operating expenses due to the factors described above. These increases have outweighed the increase to revenue in FY24.

**Finance Costs**

Finance costs (net of finance income) were £320.1 million, an increase of 8.2% from £295.8 million in 2023. The increase is primarily driven by the increased inflation driving additional interest on index-linked swaps, combined with the first full year of interest incurred on the $118 million US private placement loan which commenced in June 2023. Also included is a near full year of interest on the £250 million senior bond, that commenced in July 2023. Proceeds of these refinancings were utilised to prepay the Junior Group’s £90 million ITL and £172 million EIB term debt.

The Junior Group recognised a loss of £10.6 million in other gains and losses (2023: £28.2 million loss) as a result of fair value movements of interest rate and index-linked swaps, this is largely due to changes in forward market rates and credit spreads.

The loss before tax for the Junior Group was £114.1 million, a decrease of £99 million from the prior year of £213.1 million.

**Cash Flow**

Net cash inflow from operating activities was £283.0 million, a 2.1% increase from £277.4 million in 2023. The main driver of the increase is the difference in working capital in the two periods.

In FY23, working capital had a large outflow, driven primarily by one-off items. This reduced the net cashflows from operating activities in FY23. FY24 had a lower working capital outflow, therefore reducing net cashflows from operating activities to a lower extent.

To note, the FY23 impairment has no impact on net cashflow from operating activities in either financial year, as this is a non-cash item.

There has been a small increase in capital expenditure on the purchase of tangible and intangible assets year on year. This is driven by increased investment in Junior Group's new products and expanding utilities business. The increase was partially offset by a reduction in capital expenditure as the final stages of the Bilsdale rebuild work completed during FY24, this is despite the cost overruns resulting from the poor weather in December 2023.

**Operating cash flow after capital and financial investment**

Operating cash flow after capital and financial investment activities[1] was £232.9 million, a decrease of 0.2% from £233.5 million in the prior year. This decrease has been principally driven by lower operating profit (excluding the FY23 one-off impairment, which is a non-cash item) compared to 2023.

The decrease was partially offset by lower working capital movements compared to 2023 and a reduction in value of working non-cash adjustments for FY24, related to a smaller service credit impact in comparison to FY23 (2024: £2.8 million, 2023: £15.3 million). Cash conversion levels for the Junior Group remain strong although decreased due to movements in working capital.

Financing cash flows have reduced year on year (2024: £251.0 million outflow, 2023: £443 million outflow) owing to the different refinancing transactions and timings of loan principal repayments during FY24 compared to last financial year. The net cash flow from new loans and loan repayments during FY24 was £72.3 million, with the Junior Group receiving a cash inflow of £250 million from a senior bond entered into during FY24. This was offset by the Junior Group repaying the European Investment Bank (EIB) loan and the senior institutional term loan facility in FY24, £262 million, in addition to partial loan principal repayments. In 2023 the financing cash flow was a net outflow of £149.1 million, as during FY23 the Junior Group's junior debt was refinanced with £450.0 million proceeds utilized along with existing cash balances to redeem the previous £625.0 million of Junior bonds. Additionally, the cash outflow in FY24 was lower due to a reduction in the accretion payments on the Junior Group's inflation-linked swaps, from £146.9 million in 2023, down to £53.4 million in 2024. The lower accretion payment was as a result of high inflation in the prior year, reducing throughout FY24.

The total cash flow for the year was a £15.5 million outflow (2023: £207.5 million outflow). This decrease in outflow is principally owing to lower repayments of borrowings and accretion impact.

**Financial Position**

Net liabilities were £1,084.3 million, representing an increase of 12.2% from £966.6 million in the prior year. The net liability position is primarily driven by the capital structure reflecting borrowings, lease liabilities

[1] Excludes: Interest received, Non-refundable deposit on conditional sale and Purchase of Investments

and derivative financial instruments held. The increase in liabilities for FY24 is driven by the financing costs for the Junior Group.

**Tax**

The historic position with respect to the tax return filings for the year ended 30 June 2021, in respect of the tax treatment of an aspect of the disposal of the telecoms business to Cellnex, has been the subject of correspondence with HMRC and awaiting conclusion to be reached in line with the Group's filing position. This has resulted in a deferred tax credit of £31.8 million recognised in the year ended 30 June 2024. There are no outstanding enquiries or issues being dealt with by HMRC in connection with the Junior Group's tax affairs.

**Financing**

The Junior Group established a whole business securitisation ("**WBS**") structure in February 2013, following which the Junior Group has continued to refinance elements of its debt structure by further extending its maturity profile. Standard and Poors and Fitch reconfirmed their rating of Arqiva Financing Plc senior debt at BBB+ and BBB respectively.

As at 30 June 2024 the Junior Group's debt finance comprised:

| | Payments due by Period | | | | |
|---|---|---|---|---|---|
| | Total | Within 1 Year | Between 1 and 2 Years | Between 2 and 5 Years | After 5 Years |
| | | | (£ millions) | | |
| Finance lease obligations | 60.7 | 16.9 | 12.1 | 15.1 | 16.6 |
| Senior bonds, notes and US private placement | 954.9 | 48.1 | 75.0 | 515.0 | 316.8 |
| Junior bonds | 450.0 | - | - | 450.0 | - |
| **Total** | **1,465.6** | **65.0** | **87.1** | **980.1** | **333.4** |

Included within the above is £734.0 million of fixed rate debt and £671.1 million of floating rate debt. £93.3 million of senior bonds and notes represents US dollar-denominated private placements. All other debt held at 30 June 2024 is sterling denominated. The Junior Group holds interest rate swaps (including inflation-linked interest rate swaps) and cross-currency swaps to hedge its interest rate exposures. The hedging strategy is employed to ensure the certainty of future interest cash flows. The Junior Group does not apply hedge accounting to its swap arrangements.

In the year the Junior Group completed its senior debt refinancing, with a £250 million public bond issue. These facilities are fixed rate in nature with a coupon of 7.21% and a final maturity in 2028. £262.0 million of the proceeds from the public bond issue and the US private placement issue completed in June 2023 have been utilised to prepay the outstanding senior term debt that was due to mature within the next 12 months.

The Junior Group continues to comply with all financial covenant requirements including the historic covenant ratio requirements at the senior financing level.

**Liquidity**

To ensure the Junior Group has sufficient available funds for working capital requirements and planned growth the Junior Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. At 30 June 2024, the Junior Group had a cash balance of £20.8 million (2023: £36.3

million). The Junior Group carefully manages the credit risk on liquid funds and derivative financial instruments with balances currently spread across a range of major financial institutions. The institutions used have satisfactory credit ratings assigned by international credit rating agencies. The levels of credit risk are monitored through the Junior Group's on-going risk management processes, which include a regular review of counterparty credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.

**Going Concern**

The Junior Group meets its day-to-day working capital and financing requirements through the net cash generated from its operations. The Junior Group undertakes a review of going concern through a review of forecasting. This includes cash flow forecasts and considers the requirements of capital expenditure and debt repayments and also includes severe but plausible scenarios. The Junior Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its operations. This also includes contractual and commercial commitments both in terms of capital programmes, financing as they fall due.

This is further supported by the debt facilities which have a £nil drawdown balance at year end.

## Financial Year Ended 30 June 2023 Compared to the Financial Year Ended 30 June 2022

**Financial Performance**

For the year ended 30 June 2023, revenue for the Junior Group was £613.3 million, an increase of 2.5% from £598.2 million in the prior year on a total.

| | Year Ended 30 June | | |
|---|---|---|---|
| | 2023 | 2022 | % Change |
| | (£ millions, except percentages) | | |
| ***Revenue*** | | | |
| Media and Broadcast | 462.4 | 466.3 | (0.8)% |
| Smart Utilities Networks | 150.9 | 131.9 | 14.4% |
| **Total Junior Group revenue** | **613.3** | **598.2** | **2.5%** |

*Media and Broadcast*

Total Media and Broadcast revenue decreased by 0.8% year on year to £462.4 million from £466.3 million. The Junior Group's core broadcast TV and radio distribution products have remained strong and stable during the year with inflationary increases due to RPI indexation on these long-term contracts.

These increases have been partially offset by pricing pressures on multiplex products. Following new channel launches in the year, utilisation has remained strong on the Junior Group's main (DVB-T) multiplexes and was 100% at 30 June 2023. Across the UK DTH and managed media services, revenue has remained flat however the expectation was for there to be impacts in 2024 due to customer terminations at the end of the year and loss of customers that entered administration.

An increase in customer service credits (2023: £15.3 million; 2022: £7.6 million) arising from the fire on the Bilsdale site has further negatively impacted revenue in the year.

*Smart Utilities Networks*

Revenue from Smart Utilities Networks increased from £131.9 million to £150.9 million, a 14.4% increase year on year. This increase is due to the continued growth of revenues from water metering contracts as well as increase in device sales as supply chain issues have eased.

Smart revenue also includes site share revenues relating to the utilisation of broadcast sites for telecommunications equipment and transitional services provided following the sale of the telecoms business to Cellnex. Revenue in this area has increased following one-off revenue received in the year in relation to a further Cellnex transaction.

Gross profit decreased 0.3% year on year from £419.3 million to £417.9 million primarily driven by the increases in revenue and related costs also increasing in the year reflecting the lower margin nature of the increases in revenue.

Other operating expenses from the total Junior Group were £96.7 million, up 8.4% from £89.2 million in the prior year. Despite cost savings attributable to one-off costs incurred in the prior year on project consultancy and IT licences and maintenance established from the Junior Group's digital transformation not repeated, operating expenditure has increased year on year. This is partly driven by the nature of projects worked on resulting in lower capitalized overheads as the Junior Group pursues its simplification journey and focuses on diversifying its product portfolio with new product launches during FY23. Further cost increases are as a result of insurance costs and non-cash gains from lease modifications in the prior year not repeated.

EBITDA is a non-GAAP measure and refers to 'earnings before interest, tax, depreciation and amortisation' and includes add-backs for certain items charged to operating profit that are not considered to reflect the underlying performance of the business.

| | Year Ended 30 June | | |
|---|---|---|---|
| | 2023 | 2022 | % Change |
| | (£ millions, except percentages) | | |
| ***EBITDA*** | | | |
| *Commercial* | | | |
| Media and Broadcast | 352.3 | 343.0 | 2.7% |
| Smart Utilities Network | 70.9 | 65.4 | 8.4% |
| Total Commercial | **423.2** | **408.4** | **3.6%** |
| Operations | (23.3) | (25.3) | 7.9% |
| Technology | (32.4) | (28.5) | (13.7)% |
| Corporate | (30.3) | (14.8) | (104.7)% |
| **Total Junior Group EBITDA** | **337.2** | **339.8** | **(0.8)%** |

During the year ended 30 June 2023, the simplification function was established to oversee internal change and programme delivery activities following the completion of the transformation programme. The costs for this area are recognised within the corporate function. With staff moving across to this function from other areas of the business much of these costs were previously recognised elsewhere in the business, predominantly the commercial and technology and transformation segments.

Total EBITDA for the year ended 30 June 2023 was £337.2 million, a 0.8% decrease from the prior year to 30 June 2022 of £339.8 million. Despite the increase in revenue, EBITDA has been impacted by increasing power costs and staff costs due to the nature of programmes being worked on.

Within the Media and Broadcast business, EBITDA increased by 2.7%, from £343.0 million for the year ended 30 June 2022 to £352.3 million for the year ended 30 June 2023. This increase is primarily driven by the increases in revenue from core TV and radio products and decreased staff costs due to the nature of products worked on in the year. This is partially offset by increases in energy costs.

EBITDA for the Junior Group's Smart Utilities Networks business increased from £65.4 million for the year ended 30 June 2022 to £70.9 million for the year ended 30 June 2023, an increase of 8.4% driven by the increases in revenue. This includes the one-off revenue received in respect of former telecommunications sites for the Cellnex transaction as well as increases in device sales on water metering contracts following improvements in previous supply chain delays. The margin for Smart Utilities Networks is however slightly impacted due to the increase in revenues from device sales as a relatively lower margin product.

The Operations Function is a non-revenue generating segment responsible for the efficient operations and maintenance of all the Group services including field engineers, disaster recovery and network operations. EBITDA for the Operations Function increased 7.9% due to a decrease in costs from £25.3 million for the year ended 30 June 2022 to £23.3 million for the year ended 30 June 2023. The decrease is predominantly due to staff costs and recoveries due to changes in the nature of projects being worked on by the team as well as a decrease in insurance costs that were included within this function in the prior year but are included within the corporate function in FY23.

EBITDA for the non-revenue generating Technology Function for the year ended 30 June 2023 was a loss of £32.4 million, an increase in cost of 13.7% from a loss of £28.5 million in the prior year. The increase in cost is mainly due to the nature of projects being worked on resulting in lower capitalisation of overheads in the year. This has been partially offset by a reduction in one-off costs incurred in the prior year not repeated in relation to the Junior Group's digital enterprise platforms as a result of the transformation programme and consultancy project costs.

Corporate EBITDA represents costs for the support functions such as finance, strategy & regulatory, legal and HR services as well as the new simplification team. EBITDA for this function has increased cost by 104.7% from a loss of £14.8 million for the year ended 30 June 2022 to £30.3 million for the year ended 30 June 2023. This increase in cost has been partly driven by the new simplification team subsequently included within the function predominantly due to staff costs in this area as well as an increase due to insurance costs which were included within operations in the comparative year. Further reduction is due to a lower gain recognised year on year on modification of lease contracts under IFRS 16 accounting.

In the year, depreciation decreased by £66.7 million (2023: £91.7 million; 2022: £158.4 million) and amortisation decreased by £0.3 million (2023: £12.9 million; 2022: £13.2 million). The collective decrease of depreciation and amortisation is driven by a reduction in accelerated depreciation and amortisation from the prior year not repeated. This is particularly in connection with assets replaced under the 700MHz clearance programme and software assets decommissioned in the prior year under the Junior Group's transformation programme which had both completed. Further decreases are due to the reassessment of the calculation of depreciation in relation to certain capital programmes.

Exceptional operating expenses charged to operating profit were £133.5 million for the year ended 30 June 2023, an increase from £19.6 million in 2022. Exceptional costs in the current year predominantly relate to the restated impairment charge of £126.8 million, relating to the SUN CGU goodwill balance and reduction of other intangible and PPE assets. The impairment was driven by a projected reduction in future cashflows from the DCC contract, post contract renewal in 2028, relating to a likely change in future service delivery requirements. In addition, in year ended 30 June 2023 exceptional operating expenses included restoration costs arising from the Bilsdale fire, restructuring and severance costs as the Junior Group completed its

transformation programme and embedded organisational design changes. Exceptional operating expenses are excluded from EBITDA.

The restoration costs of £4.3 million incurred within exceptional operating expenses (2022: £10.0 million) were associated with the Bilsdale transmitter following a fire which broke out on 10 August 2021 including support costs following the completion of the new permanent mast. Costs recognised are those which have been incurred to date and can be reliably measured.

The Junior Group has continued to engage with insurers regarding the fire. Further interim stage payments of £20.0 million have been received from the insurers in FY23 (2022: £5.0 million) which has been recognised as exceptional other income in the income statement. A final settlement of £16 million has been received post year end in August 2023.

Operating profit decreased 21.7% (2023: £110.9 million; 2022: £141.6 million) across the Junior Group. This is driven by the impairment charge to the SUN CGU assets, totalling £126.8 million for FY23. FY22 did not incur an impairment charge. Operating profit not including impairment charge, increased by 67.9% (2023: £237.7 million, 2022: £141.6 million). This increase is driven by the improved trading performance of the Junior Group as well as the reductions in depreciation as capital programmes progress, reduced costs and higher insurance proceeds received associated with the Bilsdale fire.

Finance costs (net of finance income) were £295.8 million, an increase of 6.7% from £277.1 million in 2022. This increase is driven primarily by the compounding effect of interest of the outstanding amounts owed to group undertakings. There has also been a further increase in bank and other loan interest. Despite an overall decrease in principal debt, interest costs have increased due to inflation indexation in relation to the Junior Group's index-linked swap derivatives as well as higher overall interest costs on the junior level debt refinanced at the beginning of FY23.

Other gains and losses for FY23 included £28.2 million of losses (2022: £77.6 million loss). This loss is as a result of fair value movements of interest rate and index-linked swaps, principally attributable to changes in forward market rates and credit spreads.

Loss before tax for the Junior Group was £213.1 million, level with the £213.1 million in the prior year. FY23 included a one-off impairment charge of £126.8 million.

The loss before tax is reported after non-cash charges of £459.0 million (2022: £447.5 million).

**Cash Flow**

Net cash inflow from operating activities was £277.4 million, a 17.5% decrease from £336.1 million in 2022. Despite operating profit decreasing year on year, the cash flow decrease is driven by the movement in working capital. Working capital inflows have decreased due to one-off working capital inflows in the prior year not repeated relating to the refinancing of network set-up charges for smart energy metering as well as the utilisation and unwind of deferred income (decreasing contract liabilities) and timing of payments.

FY23 operating profit included a one-off impairment charge of £126.8 million. As this is a non-cash charge, it did not impact Net cash inflow from operating activities.

There has been a decrease in capital expenditure on the purchase of tangible and intangible assets year on year. This is driven by a reduction in expenditure on significant capital projects as these programmes were completed including the Junior Group's transformation programme as well as expenditure on an IT refresh for the smart energy metering programme in the prior year not repeated. This reduction has partially been offset by increases in capital expenditure incurred in relation to works on the Bilsdale transmitter site following the fire, including the completion of the new permanent mast as well as increases related to the Junior Group's new products. Further decreases to net capital expenditure are due to the insurance payments received in respect of the Bilsdale claim.

Operating cash flow after capital and financial investment activities is a non-GAAP measure and refers to net cash flows from operating activities less cash flows from investing activities per the cash flow statement excluding interest received.

Operating cash flow after capital and financial investment activities[1] was £233.5 million, a decrease of 7.5% from £252.4 million in the prior year. This decrease has been principally driven by the decrease in working capital movements reducing net operating cash flows partially offset by the reduction in net capital expenditure due to programme progression and the interim stage payments received in respect of the Bilsdale site fire. Cash conversion levels for the Junior Group remain strong although decreased due to movements in working capital.

Financing cash flows increased year on year (2023: £442.9 million outflow; 2022: £236.9 million outflow) owing to the repayment of borrowings predominantly arising from the refinancing of the Junior Group's junior debt, with £450.0 million proceeds utilised along with existing cash balances to redeem the previous £625.0 million of junior bonds. An additional outflow in the year is due to the increase in accretion payments made on the Junior Group's inflation-linked swaps as a result of the high inflation levels. In June 2023, the Junior Group completed an accretion cap and collar execution limiting future exposure to inflation on its derivatives to a range of between 2% and 6%. This is partially offset by a further £95.1 million of debt proceeds received in June 2023 following the issue of new US private placement notes.

The total cash flow for the year was a £207.5 million outflow (2022: £16.3 million inflow). This decrease is principally owing to the repayment of borrowings and accretion impacts partially offset by the decrease in capital investment cash flows explained above.

**Financial Position**

Net liabilities were £966.7 million, representing an increase of 21.0% from £798.7 million in the prior year. The net liability position is primarily driven by the capital structure reflecting the borrowings, lease liabilities and derivative financial instruments held. The increase in liabilities for the year is driven by the financing costs for the Junior Group and the one-off impairment charge of £126.8 million. Post year end the Junior Group has completed a further senior debt refinancing.

**Financing**

Since the establishment of the Junior Group's WBS in February 2013, the Junior Group has continued to refinance elements of the Junior Group's debt structure further extending the Junior Group's maturity profile.

Standard and Poor's and Fitch reconfirmed their rating of Arqiva Financing Plc senior debt at BBB+ and BBB respectively.

At 30 June 2023 the Junior Group's debt finance comprised:

| | Payments due by Period | | | | |
|---|---|---|---|---|---|
| | Total | Within 1 Year | Between 1 and 2 Years | Between 2 and 5 Years | After 5 Years |
| | | | (£ millions) | | |
| Bank facilities | 15.0 | 15.0 | - | - | - |
| Finance lease obligations | 69.0 | 18.3 | 13.4 | 18.6 | 18.7 |
| Senior term debt | 262.0 | 262.0 | - | - | - |

[1] Excludes: Interest received, Non-refundable deposit on conditional sale and Purchase of Investments

| | | | | | |
|---|---|---|---|---|---|
| Senior bonds, notes and US private placement ..... | 750.5 | 45.3 | 48.1 | 234.3 | 422.9 |
| Junior bonds ..... | 450.0 | - | - | 450.0 | - |
| Amount payable to other group entities ..... | 45.2 | - | - | - | 45.2 |
| **Total ..... ** | **1,591.7** | **340.6** | **61.5** | **702.9** | **486.8** |

Included within the above is £625.1 million of fixed rate debt and £966.7 million of floating rate debt. £93.5 million of senior bonds and notes represents US dollar-denominated private placements. All other debt held at 30 June 2023 is sterling denominated. The Junior Group holds interest rate swaps (including inflation-linked interest rate swaps) and cross-currency swaps to hedge the Junior Group's interest rate exposures. This hedging strategy is employed to ensure the certainty of future interest cash flows. The Junior Group does not apply hedge accounting to these swap arrangements.

Post year end in July 2023, the Junior Group has completed its senior debt refinancing, with a £250 million public bond issue. These facilities are fixed rate in nature with a coupon of 7.21% and a final maturity in 2028. £262.0 million of the proceeds from the public bond issue and the US private placement issue completed in June 2023 have been utilised to prepay the outstanding senior term debt that was due to mature within the next 12 months.

The Junior Group continues to comply with all financial covenant requirements including the historic covenant ratio requirements at the senior financing level.

**Liquidity**

To ensure the Junior Group has sufficient available funds for working capital requirements and planned growth the Junior Group maintains cash reserves and access to undrawn committed facilities to cover forecast requirements. At 30 June 2023, the Junior Group had a cash balance of £36.3 million (2022: £243.8 million). The Junior Group carefully manages the credit risk on liquid funds and derivative financial instruments with balances spread across a range of major financial institutions, which have satisfactory credit ratings assigned by international credit rating agencies. The levels of credit risk are monitored through the Junior Group's on-going risk management processes, which include a regular review of counterparty credit ratings. Risk in this area is limited further by setting a maximum level and term for deposits with any single counterparty.

**Going Concern**

The Junior Group meets the Junior Group's day-to-day working capital and financing requirements through the net cash generated from the Junior Group's operations. The Junior Group performs a review of going concern through a review of forecasting including cash flow forecasts and considering the requirements of capital expenditure and debt repayments and including any severe but plausible scenarios. The Junior Group has sufficient financial resources which, together with internally generated cash flows, continued to provide sufficient sources of liquidity to fund the Junior Group's operations, including the Junior Group's contractual and commercial commitments both in terms of capital programmes and financing as they fall due. This is further supported by the new debt facilities established post year end. For this reason, the Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

# INDUSTRY

The information in the following section has been provided for background purposes. The information has been extracted from a variety of sources released by public and private organisations as described in "Presentation of Financial and Other Information".

The Group confirms that the information in this section has been accurately reproduced from these sources and, as far as the Group is aware and is able to ascertain from information published by these sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed.

The projections and forward-looking statements in this section are not guarantees of future performance and actual events and circumstances could differ materially from current expectations. Numerous factors could cause or contribute to such differences. See "*Risk Factors*" and "*Forward Looking Statements*".

## Introduction

The Group operates within the UK broadcast, media and communications sector and is a leading provider of resilient Critical National Infrastructure (CNI) services in the UK. The Group's network spans over 2,000+ sites providing managed connectivity solutions for vital services in multiple sectors that millions of people and businesses rely on every day.

The Group operates in the following areas:

- **Media and Broadcast** (representing 75% of the Group's total revenue in the year ended 30 June 2024). The Group's transmission network delivers universal broadcast television, also known as Digital Terrestrial Television (DTT) and radio services to over 98.5% of the UK population, in addition to operating over 80 ground satellite dishes for Direct-to-Home (DTH) TV. The Group is also the UK's largest independent reseller of satellite capacity, with a growing market share in Low Earth Orbit (LEO) up-linking.
- **SUN** (representing 25% of the Group's total revenue in the year ended 30 June 2024). The Group connects c.6 million smart energy hubs and water meters for electricity, gas and water customers and provides managed connectivity services to gas and electricity network operators, with a further 10 million smart water meters set to be rolled out across the sector by 2030.

## The Television and Broadcast Industry in the UK

The UK television market offers a broad choice of channels available to viewers on both FTA television and pay-television platforms. Television delivery platforms are the means of linking channels to their audiences. Broadcasters select platforms to air their channels, with platform selection driven by the commercial incentive to maximise revenues or to meet public service obligations.

The Group's DTT platform provides near universal coverage of TV to 98.5% of the UK population. The average amount of time spent watching TV and video content at home in 2023 was 4 hours 31 minutes per person per day, up by 2% since 2022. A total of 109 minutes of this was spent watching live TV broadcast. The household TV set remains the most-used device for watching video, with approximately 44% of all UK viewing via linear TV, rising to 80% for older viewers. (Source: Ofcom – Media Nations 2024 and EY).

The Group believes that DTT has a long-term future as it provides near-universal coverage, a strong content offering and an economic model for FTA broadcasters. In addition, unlike other platforms, DTT is

free at the point of use. As such, the Group believes that it will remain a popular TV platform with an established viewer base across UK households.

While the UK's viewing habits are changing, the Group believes that the DTT platform – complemented by Over-the-Top ("OTT"), Broadcast Video on Demand ("BVOD"), and Subscription Video on Demand ("SVOD") services – is best placed to deliver reliable and affordable universal access to broadcast media content for the following key reasons:

- FTA linear TV plays an important role in the Public Service Broadcasting ("PSB") system in the UK, including for the BBC;
- FTA linear TV provides unparalleled access to channels to the television advertising market;
- Approximately 3.9 million households rely on DTT as their primary delivery mechanism for television broadcast services, with a further 17.9 million 'hybrid' households supplementing traditional TV viewing with on-demand services over broadband; and
- Television services delivered via DTT are particularly important for vulnerable audiences, such as older age groups, those living with a disability, and lower socio-economic groups.

### The Socio-Economic and Political Landscape in the UK

In 2023, Citizens Advice found that around a million households had to terminate their broadband to make ends meet during the peak of the cost-of-living crisis between 2022 and 2023. An estimated 19% of British individuals still worry about their ability to pay for their internet. Notably, 27% of renters from a housing or council association, 27% of parents or guardians, and, crucially, nearly a third (32%) of those who have a disability or chronic healthcare condition indicated they were worried about their ability to pay for their internet. These groups are especially vulnerable to disconnection and exclusion, with Citizens Advice also reporting that people on Universal Credit were more than six times as likely to be disconnected from the internet compared to people not claiming Universal Credit. (*Source:* Digital Poverty Alliance). DTT addresses "digital poverty" by ensuring everyone has access to TV via DTT transmission. Indeed, according to a report by the Digital Poverty Alliance, 84% of people believe DTT is important for national unity, and 90% believe it is important for those struggling to afford subscriptions (Source: Digital Poverty Alliance).

In addition, the Group expects that any political agendas which could force voters to adopt paid-for alternatives are likely to be unpopular.

Based on Ofcom data, more than 11 million households in total had DTT connected to the main TV set in 2023. This installed base has been broadly consistent over time and, whilst there may be a slight decline as other internet-based platforms increase, the installed base of the platform is expected to remain strong given that DTT continues to installed within new TV sets sold and further validated by key commercial broadcast customers extending contracts to 2030 and 2031. According to Future of TV Distribution Report issued to DMCS in 2024 by University of Leeds, Exeter, MTM, 3 Reasons and Real Wireless, there were also more than 11.9 million TV secondary sets in the UK using DTT in the second quarter of 2023, further reinforcing the role and importance of the platform.

Digital exclusion in the UK has narrowed but remains significant, especially among older and disabled groups and in rural areas. Ofcom's latest figures (2024) show about 6% of UK households – roughly 1.7 million – still lack internet access at home. Age is a major factor: 29% of over-75s (and 9% of 65–74s) do not use the internet. Ofcom's Connected Nations 2024 Report also found that full-fibre broadband was available to 71% of urban premises but only 52% of rural premises. People with disabilities are disproportionately affected as well, with roughly a quarter of disabled individuals lacking basic digital skills

– part of an overall skills gap that sees about 16% of UK adults (around 8.5 million people) without essential digital skills. (Source: Ofcom, Age UK and UK Parliament).

## UK Television Delivery Platforms

The UK television delivery platform comprises a transmission network (such as terrestrial broadcast sites, satellite, cable or telecom networks) and an associated receiver, which may be integrated within the television set or may exist as a separate "set-top box". The TV or set-top box allows users to search, receive and decode the channels and programmes they wish to watch. More advanced receivers allow users to record programmes on to a personal video recorder or connect to the internet.

Platforms can be divided into FTA platforms and pay platforms. The FTA platforms in the UK are operated primarily by the Everyone TV (ETV) consortium (operating Freeview, Freely and Freesat). In addition, there is Freesat and the YouView platform which provide TV services that are free to the viewer at the point of consumption. In contrast, pay television platforms are run on a proprietary commercial basis (key providers include Sky, Virgin Media, BT TV and TalkTalk TV) and require payment to access their services.

The following chart shows the various television delivery platforms available in the UK:

| | DTT | DTT + IPTV[(1)] | Satellite | Cable |
|---|---|---|---|---|
| **Description** | • Transmission via radio signals.<br>• Reception via aerials and built into all new TVs (including DTT + IPTV sets). | • Hybrid solution with Internet Protocol (IP) television delivered by broadband via closed networks using DSL or fibre. | • Transmission via communication satellites.<br>• Reception via outdoor satellite dishes. | • TV signals transmitted through coaxial cables or light pulses through fibre-optic cable. |
| **Consumer brand** | Freeview FreeviewPlay | BT TV TalkTalk TV Freely | sky Freesat | Virgin Media |
| **Comments** | • Largest TV platform reaching c.16million households as of 31 December 2024.<br>• Nationwide network infrastructure with near universal coverage.<br>• Catch-up services offered via IP on connected TV sets. | • IPTV available In the UK as a hybrid Solution complementing DTT rather than directly competing.<br>• Includes Freely, BT TV and TalkTalk TV. BT TV with BT and TalkTalk including pay TV services alongside free services. | • Satellite has high coverage but focus on pay platforms and the need to Install dishes severely limits adoption levels.<br>• Online and app driven content, as well as proposition with Netflix embedded into core platform.<br>• Offers UHD channels. | • Cable platform coverage currently limited to 47% with no prospects of achieving similar coverage levels as DTT (high roll-out costs).<br>• Online and app driven content. as well as proposition with Netflix embedded into core platform. |

Note:

(1) The hybrid services currently use both DTT and IPTV to deliver services on TV sets. This may change in the future as services evolve. Source: Company websites; BARB; Ofcom

### *Digital Terrestrial Television – Freeview and hybrid services which also incorporate DTT*

The DTT platform is principally used to provide FTA services marketed and sold primarily under the Freeview brand. The platforms are operated by ETV which is owned by four shareholders: BBC, Sky, Channel 4 and Channel 5. DTT is also built into platforms operated by YouView. YouView is the underlying technology used by hybrid services such as BT TV, TalkTalk TV and Freely. Operated by a consortium of BT, TalkTalk, the BBC, ITV, Channel 4 and Channel 5, YouView builds on the existing Freeview platform to incorporate additional on-demand-catch-up services from broadcasters and pay services. The channels available on Freeview continue to be delivered over DTT as part of YouView offer including a range of PSB channels, FTA channels, shopping channels and digital radio stations to households via an aerial in their homes. This can either be as the core service or as a back-up if a high-speed internet connection is not available.

DTT is the TV platform that covers the largest number of households in the UK, delivered through Freeview to over 16 million homes (Source: EveryoneTV). DTT offers a wide choice of popular content to viewers, with the number of channels offered via DTT increasing in recent years, including full day and part day channels in both SD and HD. As of 10 March 2025, the platform carried 135 channels in England, 72 of which were PSBs or PSB portfolio channels (Source: Freeview, Arqiva group). Over the past 12 months, the overwhelming majority of the UK's weekly 50 most watched programmes were on FTA DTT channels (Source: BARB).

The revenue generated by a commercial DTT multiplex (bundle of digitalised and compressed TV services combined into a data-stream for transmission over a single channel) is the product of two factors: (i) the price broadcasters are willing to pay for a channel slot on a stream – either a full day or a part of a day – and (ii) the number of streams that can be accommodated in a DTT multiplex. The pricing of DTT multiplex streams is determined by the size and value of the audience that the broadcaster can reach, its position in the Electronic Programme Guide, and the subsequent revenue that can be generated (predominantly via advertising), as well as the balance between supply of streams and the demand from broadcasters who wish to use channels.

Multiplex operators (including the Group through its Digital Platforms division) pay the Group to transmit the content carried on their multiplexes. Contract prices for the provision of Network Access (NA) services and Managed Transmission Services (MTS) are set within the framework of a reference offer (a NA Reference Offer and Transmission Services, (NA and MTS), Reference Offer, respectively). Under a NA Reference Offer, the Group is allowed to make a fixed rate of return equivalent to a Weighted Average Cost of Capital (WACC) of 7.71% (real pre-tax) on a pre-2015 regulated asset base used for NA services and a 7.5% WACC (real pre-tax) on post-2015 new capital assets. Unlike the NA pricing framework, pricing for MTS services under the Transmission Services Reference Offer framework is set in accordance with market prices. However, the Transmission Services Reference Offer framework requires the Group to provide MTS services upon reasonable request and upon terms which are fair, reasonable and non-discriminatory.

For further detail on the regulatory transmission services framework, see *"—Terrestrial Television Regulation in the UK*" and "*Regulation of the Communications Industry in the United Kingdom—Competition Regulation—The Undertakings*".

The DTT network has capacity limitations because of the limited amount of spectrum available to use in the network which limits the number of multiplexes that can use it. However, improving compression technology. has enabled additional channels to launch on the platform. The number of streams on DTT has grown over time, and DTT now supports over 132 channels. The Group expects demand for multiplex capacity from broadcasters to continue in the medium term, reflecting anticipated broadcaster demand for streams due to the strength of the hybrid DTT/IPTV platform and the importance of the DTT platform to access the TV advertising market.

DTT coverage extends to 98.5% for Public Service Broadcasters (PSBs) and approximately 90% for commercial channels, making DTT the platform with the widest reach in the UK. Considering its coverage, high uptake and FTA capabilities, DTT benefits from strong political and regulatory support with Government supporting the long-term role of DTT until at least 2034.

The hybrid DTT/IP platform market forms a segment of the larger TV market. This combines a DTT tuner with a managed IP network (DTT+IPTV from providers such as BT TV and TalkTalk TV) or through DTT with a connected TV which can access services via the internet. These services provide the potential to be combined with OTT services such as Netflix, Amazon Prime or the BBC iPlayer. This enables viewers to access a wider range of content including catch-up services or those only available via the internet. These services also enable a TV to operate without an aerial relying only on content available via an internet connection if required, and if the TV set is not plugged into an aerial, to receive content via DTT,

e.g., Freely. The hybrid services offer direct competition to traditional pay platforms, including satellite and cable, and offer significant scope for households to move from full pay TV to a hybrid offering over time.

YouView is the underlying technology used by hybrid services such as BT TV, TalkTalk TV and Freely. Operated by a consortium of BT, TalkTalk, the BBC, ITV, Channel 4 and Channel 5, YouView builds on the existing Freeview platform to incorporate additional on-demand-catch-up services from broadcasters and pay services. The channels available on Freeview continue to be delivered over DTT as part of YouView offer.

In relation to DTT, the Group is part of a coalition called Broadcast2040+ which includes over 30 organisations including the Digital Poverty Alliance (DPA), Age UK, Silver Voices, Rural Services Network and the Voice of the Listener and Viewer. The Broadcast2040+ Campaign is calling for the Government to continue to recognise the important role of DTT and radio broadcast services and provide a commitment to support these until at least 2040.

The DCMS is currently undertaking a review of the long-term future of DTT as part of its "Future of TV distribution" stakeholder forum (the "**DCMS Forum**"). This is a Ministerial-led process with the aim of driving forward policy. The Group is actively involved in the DCMS Forum, into which it submits its views and perspectives. The DCMS Forum builds on the prior work by Ofcom in its Future of TV Distribution Report published in May 2024. In that document Ofcom set out options for the long-term future of DTT which included investing in a more efficient DTT services, reducing DTT down to a core service and moving towards DTT switch-off over the 2030s. The report called on Government to provide certainty.

### *DTT – Environmental Efficiency*

Research conducted by Carnstone on behalf of Ofcom in October 2022, titled 'Carbon emissions of streaming and digital terrestrial television', found that IPTV generates five times the carbon emissions of DTT. These findings are further supported by research commissioned by the DCMS Forum on the future of TV distribution, submitted to the DCMS Forum by the University of Exeter and University of Leeds in October 2024. The Broadcast 2040+ Campaign estimates that, with long-term certainty on the future of DTT, the DTT network can be optimised to increase its energy efficiency by 40%.

### *DTH Satellite*

Direct-to-Home (DTH) television uses satellite transmission to broadcast content. There are currently two providers of DTH, Freesat and Sky. Freesat, launched in 2008, is a DTH service operated by Everyone TV and jointly owned by the BBC, ITV, Channel4, and Channel 5. It offers over 100 channels to an estimated 1 million homes in the UK via set-top boxes and select TVs (Source: Ofcom).

DTH satellite pay-television is provided by Sky and is available to approximately 98% of the population. As of the end of 2019, Sky was the UK's largest pay-TV broadcaster, with 12.7 million customers. However, Comcast – the owners of Sky – no longer publish annual customer figures. Recent reports suggest that the UK is projected to lose approximately 2.1 million pay-TV subscribers between 2023 and 2029, with Sky expected to account for 1.8 million of these losses (Source: Digital TV Research). Satellite delivered housholds remain the vast majority of Sky's base, despite the expansion in its offerings to include streaming delivery.

Notably, the current fleet of satellites used by Sky and Freesat is also likely to reach the end of its life by the end of this decade, To offer consumer wider choice, improve experience & to target consumer segment living in apartment blocks, which cannot have individual satellite dishes Sky has started offering IP delivered alternatives such as Sky Glass (Source: Ofcom).

More recently, Sky has positioned itself as an aggregator of linear, VoD and streaming apps, offering a hybrid linear DTH and IP delivered services, thus creating stickiness in its customer base.

### *Cable Television – Virgin Media*

Virgin Media operates the UK's only cable television network and provides television, internet and telephony services to approximately 5.8 million customers across the UK (Source: Liberty Global). Due to the limited physical extent of the cable network, only approximately 16.1. million premises in the UK can access the network, representing 54% of UK households (Source: Virgin Media). Virgin Media is currently expanding its gigabit network coverage to an additional 5 million homes by 2026, with the potential to extend to 7 million premises in the future (Source: VMO2).

### *OTT (Over the Top) Services*

Content is increasingly being delivered OTT via the internet – both in terms of streamed linear channels and through video-on-demand. Content can be delivered through third-party platforms (such as Netflix or YouTube) or direct-to-consumer. There is also significant overlap between the various OTT platforms, with many households using two or more platforms.

Most major UK and international broadcasters offer direct-to-consumer services either on a free or paid-for basis (including the BBC's iPlayer service, Sky's Glass and Now TV, Discovery+ and Disney+), which offers viewers "everywhere" access to linear TV programming and access to catch-up TV. There is also increasing monetisation of content through OTT direct-to-consumers by rightsholders (i.e. companies that own content rights but do not broadcast via a linear channel on traditional platforms, such as primary sports rightsholders monetising matches that are not part of broadcast deals, secondary sports rightsholders, content archives and independent studios).

In addition, companies such as Amazon, Facebook, Google, Apple and Netflix are monetising OTT content, and these companies have increasingly large expenditures on media management and distribution. OTT platforms include:

- Advertising-funded video-on-demand platforms (such as YouTube, ITVX), which offer free access to a large library of video content with advertising;
- Subscription video-on-demand platforms (such as Netflix and Amazon Prime), which offer access to a large library of movies and TV shows for a monthly fee;
- Transactional video-on-demand platforms (such as iTunes and Amazon Video), which allow users to rent an electronic copy of video material to download or stream; and,
- Electronic sell-through platforms (such as iTunes, Amazon), which allow users to purchase an electronic copy of video material for personal ownership.

The uptake of OTT and the use of IPTV or hybrid DTT/IPTV systems not making use of the DTT element is currently limited by the overall availability and uptake of high-speed broadband services, network and in-home performance.

Whilst IP services can still be received at relatively low bandwidth speeds and average broadband speeds have increased, the potential of relying only on OTT or IPTV platforms is dependent on the availability and uptake of high-speed broadband services and the capacity of the core network to cope with tens of millions of simultaneous viewers.

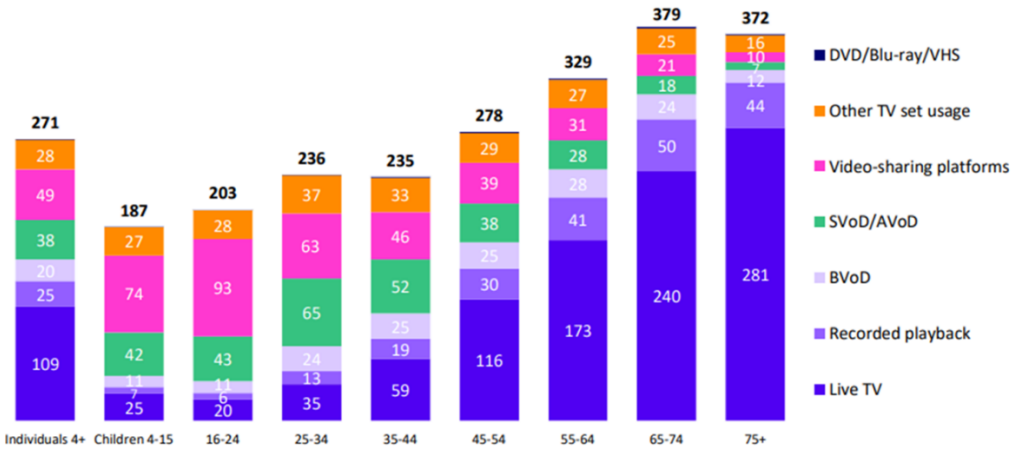
## UK Television Viewing Trends

Although broadly stable when looked at over the last two decades, linear TV, which is the traditional form of TV consumption watched live over one of the traditional platforms (i.e. DTT, satellite, cable) has been impacted in more recent years by non-linear TV viewing (catch-up and on-demand services) and other forms of non-linear TV viewing such as online video and social media. The launch of catch-up and on-

demand services has led to a decrease in time spent watching live linear TV and a growth in non-linear viewing.

On average, individual viewing figures have risen by 2% since 2022, largely due to online platform growth. Live TV still accounts for over three-quarters (76%) of over-74s' video consumption, and more than three-fifths (63%) of 65-74s', highlighting the enduring importance of linear TV to older audiences. At the other end of the spectrum, 16-24s spent just 19% of their video time with broadcasters, half of which was live TV. Across all age groups, live TV viewing accounts for 40.2% of all video consumption (Source: Ofcom, Media Nations: 2024).

The following chart shows the average daily minutes of in-home video viewing, by age, for 2023.




Source: Ofcom, Media Nations: 2024

While online audiences increase, the Group believes DTT will continue to play an important role within the TV landscape for many years to come. DTT fosters and builds community bonds through a simple, universal method in a way that is difficult for other online platforms to replicate. As the digital divide increases, millions of UK households continue to rely on the critical safety net offered through DTT (Source: DPA).

## Broadcasters in the UK Television Industry

The broadcast industry in the UK consists of both PSB and commercial broadcasters, which can broadcast their content on any of the available platforms. The national PSBs (the BBC, ITV, Channel 4 and Channel 5) have obligations in their broadcast licences which require the PSBs to provide DTT services covering 98.5% of the population, which the Group's DTT transmission services network provides.

The purely commercial broadcasters, such as Sky and Discovery, operate free of public service obligations with regards to either content or coverage. Despite the emergence of alternate competing channels, PSB channels still dominate the top 10 and top 50 list of most watched programmes each week, with 96% of the UK population trusting DTT as a source of accurate and impartial information, compared to significantly lower trust levels for online platforms (Source: DPA).

Sky is a large commercial broadcaster and platform operator which includes its DTH satellite service and new IP based services such as Now TV, Sky Glass (an integrated IP TV based service) and Sky Stream providing a broad range of Sky-branded channels as well its own proprietary content. Sky's licence requires it to provide access to third-party broadcasters and abide by the prominence rules for the PSB channels. Sky channels are predominantly distributed on this proprietary DTH distribution platform and its Sky Glass service, though most are also distributed on the Virgin Media cable platform as well as some on BT TV.

Sky Mix, Sky Arts, Sky News and Challenge are also available on an FTA basis on Freeview, carried on the Group's multiplexes.

### *Funding Framework*

The array of television channels available in the UK has been shaped by the funding framework. There are three primary types of channel funding: television-licence funded, advertisement funded, and subscription funded (e.g. pay-TV). Secondary sources of television funding include transaction funded, sponsorship funded and other public funding sources.

### *BBC*

The BBC, which is one of the Group's key customers for DTT transmission services and radio, was the first television broadcaster in the UK and remains a central element of the UK broadcasting environment. In the United Kingdom and its Crown Dependencies (Jersey, Guernsey and the Isle of Man), any household watching or recording live television transmissions as they are being broadcast (terrestrial, satellite, cable or internet) is required to purchase an annual television licence, except for people over the age of 75.

As of 2025, fees were £174.50 for a colour TV licence and £57 for a black and white licence (Source: TV Licensing). Income from the licence is primarily used to fund the BBC's television, radio and online services. In 2023/24 total licence fee income was £3.66 billion with 22.924 million licences in force at the end of March 2024. The income from 2022/23 was £3.74 billion, with 23.425 million licences in force (Source: House of Commons).

As a result, to date the BBC has enjoyed one of the most stable and established funding sources in UK media. The BBC's Royal Charter sets out that the current licence fee model should remain in place until the Charter concludes on 31 December 2027. As required by the licence fee settlement agreed in 2022, the cost of a TV licence would increase in line with inflation each year until 2027. The Government announced it would use the annual CPI inflation rate to calculate the licence fee uplifts, with colour licence fees currently costing households £174.50 per year as of 1 April 2025.

The future funding of the BBC and its next Charter period is currently being evaluated by the Government, led by the DCMS. This Charter Review will set out the role and remit of the BBC over the next Charter Period which will run from 1 January 2028 with the expectation this will run for the subsequent decade.

## TV Advertising

Demand for the Group's DTT capacity is driven, in part, by the success of commercial broadcasters, which rely on television advertising revenues. Traditionally, television advertising revenues were generated by three main types of channels: PSB channels, PSB portfolio channels and commercial multi-channels.

After a post-pandemic rebound, total UK television advertising spend fell by 1.4% in 2022, with sharper declines of up-to 7.5% in 2023, driven by high inflation and weak consumer confidence. Despite these challenges, the UK maintains a strong position in the global advertising market, with total ad expenditure per capita second only to the US.

In response to shifting viewer habits, ITV launched its streaming platform, ITVX, in 2022. By the latest reporting quarter, ITVX streaming hours exceeded 1.1 billion, reflecting a 22% year-on-year increase. This growth contributed to a 15% rise in ITV's digital advertising revenues in 2024, with digital platforms now accounting for 27% of the Group's total ad revenue. However, ITV's total advertising revenue declined from £1.9 billion in 2022 to approximately £1.78 billion in 2023 with marginal increases to £1.82 billion in 2024.

Channel 4 has also experienced significant digital growth. In 2023, its streaming service received 1.6 billion views, a 14% increase from 2022, with total streaming minutes up by 23%. This correlated to a 10% rise in digital advertising revenue, reaching £280 million in 2023. By the end of 2023, digital sources constituted

27% of Channel 4's total revenues and approximately 30% of its advertising income, with expectations to approach one-third by the end of 2024. The latest financial year figures are yet to be published. However, Channel 4's total linear ad revenue fell by 16% in 2023.

Channel 5's parent company, Paramount, integrated the My5 platform with Pluto TV, a free ad-supported streaming service, enhancing its digital reach. Industry-wide, BVOD ad spend increased by 15% in 2022 and continued to grow by 16% year-on-year in Q4 2023.

Major streaming platforms like Netflix and Disney+ have introduced ad-supported tiers to attract cost-conscious consumers and diversify revenue streams. By late 2024, Netflix's ad-supported tier accounted for approximately 20% of its total viewing hours. However, this remains smaller than ITVX's ad-supported audience. Amazon's Freevee and other AVOD platforms are also gaining traction.

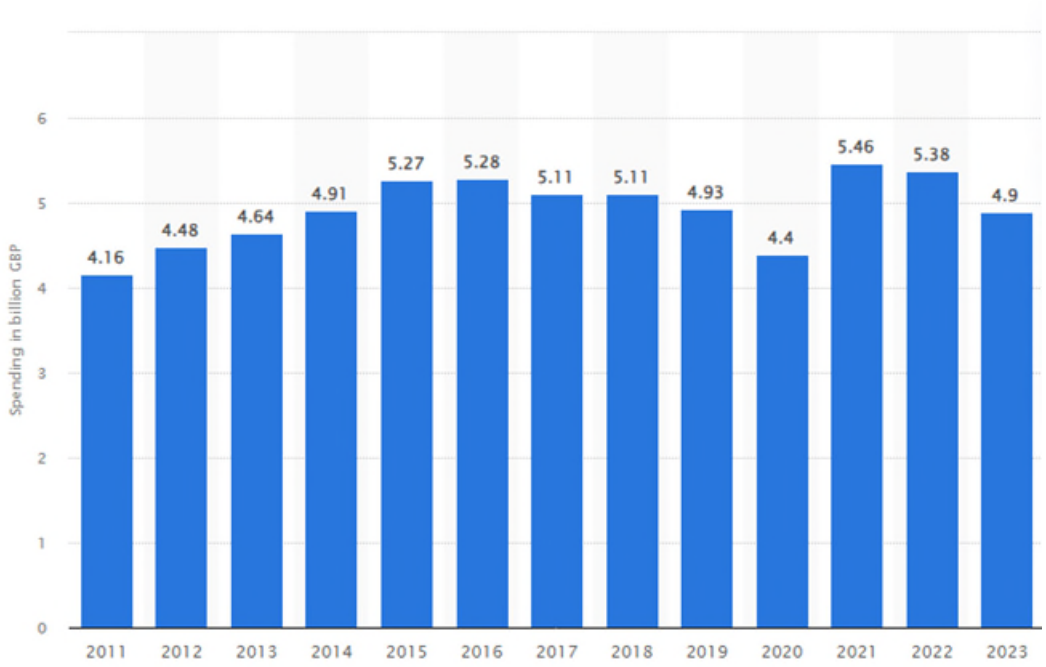
While linear TV's share of total UK ad spend is declining, it continues to account for a significant portion of high-value advertising revenue. In 2024, the UK's total advertising expenditure is projected to reach £40.5 billion, with linear TV representing approximately £3.58 billion. Notably, a minute of TV exposure still outperforms a minute on most digital platforms in terms of brand impact.

UK broadcasters are modernising linear TV advertising by integrating digital capabilities and the Group is offering targeted advertising for linear TV through its products. Addressable TV advertising, which delivers tailored ads to different households during the same programme, now accounts for 25% of Sky's advertisements, delivered via the AdSmart system. ITV has also expanded its addressable ad offerings across its linear channels, while Channel 4 and Channel 5 leverage Sky's platform for targeted campaigns.

In late 2024, UK broadcasters also introduced 'Lantern', a new measurement tool designed to link TV ad exposure with online consumer behaviour. BARB has similarly expanded its reporting to include streaming services like Netflix and YouTube, allowing advertisers to compare TV and digital video audiences more effectively (Source: Statista, Ofcom, ITV, Channel 4 and Channel 5).

The Group believes that developments and modernisation for TV and online campaigns complement each other, and linear TV will continue to play an important role for brand advertisers in years to come, particularly those seeking to target a mass market.

The graph below shows TV advertising expenditure in the United Kingdom from 2011 to 2023 (Source: Statista):




***Subscription***

Subscription funded channels receive their revenue from viewers who purchase access to a channel (or a portfolio of channels) on top of the available FTA options. They can also generate income through advertising.

## Terrestrial Television Regulation in the UK

Terrestrial transmission service in the UK has two distinct parts: MTS and NA. MTS is the managed transmission service the Group offers to Multiplex operators which allows them to broadcast the transmission signal to their customers. NA is the arrangement whereby a Multiplex operator (or other MTS provider) pays the Group for wholesale access to its network of transmitter sites (such as building access including sites and antennas, power resources, and the opportunity to install their own equipment). Together these services allow delivery of broadcast media content to end consumers over the air.

The Group has a monopoly position with respect to NA and was the sole provider of DTT MTS in the UK as of 30 June 2024. For this reason, the Group's transmission services are regulated by Ofcom, and are subject to the Undertakings given to the Competition Commission (now its successor, the Competition and Markets Authority (CMA)) and overseen by the Office of the Adjudicator – Broadcast Transmission Services (OTA-BTS), appointed by and reporting to Ofcom. Under the Reference Offer framework, pricing for transmission services can be reviewed by the OTA-BTS. For further background, see "*Business—Media and Broadcast Business Function*" and "*Regulation of the Communications Industry in the United Kingdom—Competition Regulation*".

## Digital Platforms Regulation in the UK

In the UK, five national DVB-T Standard Definition (SD) DTT national multiplexes and one national High Definition (HD) capable DVB-T2 multiplex are currently licensed, based on the amount of spectrum available in the Ultra High Frequency (UHF) television band between 470 MHz and 690 MHz (including local TV multiplexes). Increasing spectrum demand from UK mobile operators led to a decision by Ofcom to clear the 700MHz band, with DTT services that existed in the 700MHz band were reallocated to the 600MHz band with enabling works completed in 2024.

Out of the six licensed national multiplexes, three have been allocated to commercial broadcasters, and three to PSBs (two DVB-T and one DVB-T2). There is only one commercial national multiplex owned by another operator, SDN (owned by ITV). There is also a local commercial DVB-T multiplex, owned by Comux.

DTT multiplexes are set out below:

| | ***PSB Multiplexes*** | | | ***Commercial Multiplexes*** | | | |
|---|---|---|---|---|---|---|---|
| *Multiplex* | ***PS1*** | ***PSB2*** | ***PSB3*** | ***COM4*** | ***COM5*** | ***Com6*** | ***Local*** |
| **Licence Expiry** | 2027 | 2034 | 2026 | 2034 | 2034 | 2034 | 2025 |
| **Operator** | BBC | D34 (ITV/C4) | BBC | SDN (ITV) | Arqiva | Arqiva | Comux |
| **Technology** | DVB-T | DVB-T | DVB-T2 | DVB-T | DVB-T | DVB-T | DVB-T |
| **No. of Streams (availability)** | ~8 | ~14 | ~11 | ~18 | ~17 | ~17 | ~5 |
| **Channel Type (2,3)** | BBC | ITV, C4, C5 | BBC, ITV, C4, C5 HD | A mix of commercial and some PSB portfolio channels | | | |
| **Sites** | c.1,150 | c.1,150 | c.1,150 | c.80 | c.80 | c.80 | 43 |
| **Coverage** | 98.5% | 98.5% | 98.5% | 91% | 91% | 91% | 58% |

Notes:

(1) Company estimates as of May 2022.

(2) Capacity depends on the assumed HD/SD mix configuration, shows TV stream count only.

The Group had a market share of approximately 70% of commercial TV channels on Freeview as of 31 March 2024.

In August 2021 the DCMS concluded that the Government would give Ofcom the power to carry out an early renewal of the Group's two current DTT DVB-T multiplexes until 2034 accompanied by appropriate regulatory flexibility on international spectrum grounds via the inclusion of a new revocation power, which cannot take effect before the end of 2030. These powers were granted, and Ofcom subsequently renewed the licences of two multiplexes – SDN and D34 – which were due to expire in 2022. Arqiva Muxco Limited applied when permitted in December 2022 for the renewal of its multiplexes until 2034. On 6 April 2023, Ofcom confirmed that these licences had been renewed, and Ofcom issued the updated licences.

In 2013, Ofcom announced a potential framework for introducing spectrum rental fees under an Administered Incentive Pricing (AIP) scheme to encourage efficient spectrum use. Although Ofcom has, to date, decided to refrain from applying opportunity cost-based AIP pricing to broadcast spectrum, it is possible that AIP pricing will be implemented in the future. Currently, Ofcom has charged and is expected to continue to charge administrative cost-based fees to Multiplex operators, including the Group, based on Ofcom's direct costs associated with managing spectrum and the administration of broadcast licences. The Group has no information to suggest that Ofcom has any plans to change its current charging approach.

For further background, see "*Regulation of the Communications Industry in the United Kingdom—Spectrum Regulation—Multiplex and WT Act Licences*".

## The UK Radio Industry

Radio services are available in the UK through analogue and digital terrestrial radio transmission, over the internet and through the transmission of audio-only streams on terrestrial and satellite TV platforms.

Compared to the television market, where broadcasters are mainly nationally focused, local stations, whether BBC, commercial or community stations, are an important feature of the UK radio industry. Community radio licences were introduced by Ofcom in 2005 and operate on a non-profit basis.

Analogue radio works using frequency or amplitude modulation (FM and AM, respectively). An analogue radio has two main components – the transmitter and the receiver. The transmitter (the radio tower) sends out radio waves that have been modulated based on input from the content producer. The receiver picks up the signal and plays the audio. Analogue radio benefits from wide coverage areas due to its low frequency but faces the risk of distortion and interference. By contrast, Digital Audio Broadcast (DAB) compresses and encodes the audio signal in a multiplex, resulting in lower rates of distortion and interference than analogue radio. The roll-out of DAB in the UK is primarily driven by its more efficient bandwidth use (which allows more stations to be broadcast) and enhanced experience through wider choice of features (including improved search functionalities).

The importance of the DAB platform will grow over time as listening reduces on the analogue networks. The Group plans to continue to assess options to expand the coverage of the networks in which it is the licensed DAB Multiplex operator, as well as the range of channels available, to give listeners the best possible DAB experience and positioning DAB as the default replacement network for analogue services.

Small-Scale DAB (SSD) an initiative by Ofcom to facilitate the introduction of ultra-local and community stations on to DAB was introduced in 2018 further expanding DAB station choice. Ofcom have now licenced a wider range of SSD multiplexes across the country. The Group has supported some of the launched multiplexes with site access. These new multiplexes further support the industry and complement the bigger local and national services that the Group distributes for Radio customers.

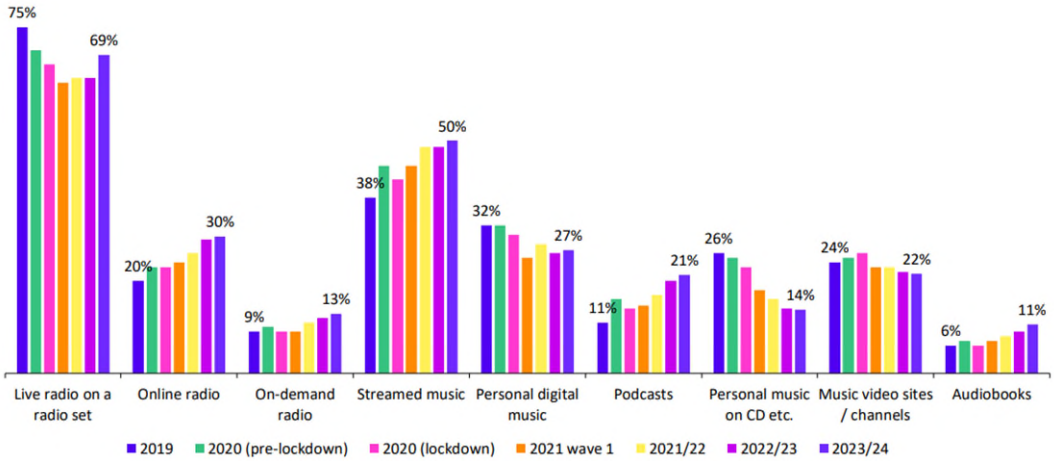
## Popularity of Radio

Total radio listening hours for adults (aged 15+) in the UK has remained relatively stable over time, with almost 50 million adults listening to radio each week for an average listening time of 20.5 hours per week in Q1 2024, up by six minutes year on year (Source: Ofcom).

Ofcom's Media Nation 2024 Report highlights that not only are more people tuning in to radio, but they are listening for longer across the week. This is despite the continued growth in popularity of internet radio and streaming services such as Spotify, (2008), BBC Sounds and Apple Music, as well as the significant growth in podcasts.

Radio listening via a broadcast platform has remained resilient with 69% of adults listening to AM, FM and DAB services via a radio set. The Group expects it to remain resilient for a range of reasons, including that a large proportion of listening takes place in vehicles with a high installed base of radios, and the fact that there is a high installed base of domestic radios which consumers continue to still want to listen to. Following the publication of the DCMS Digital Radio and Audio Review in 2021, the Government have announced a range of measures to generate growth and financial sustainability in community radio, and it is expected that a full-scale Ministerially led review on the future of radio will be announced by the end of 2025.

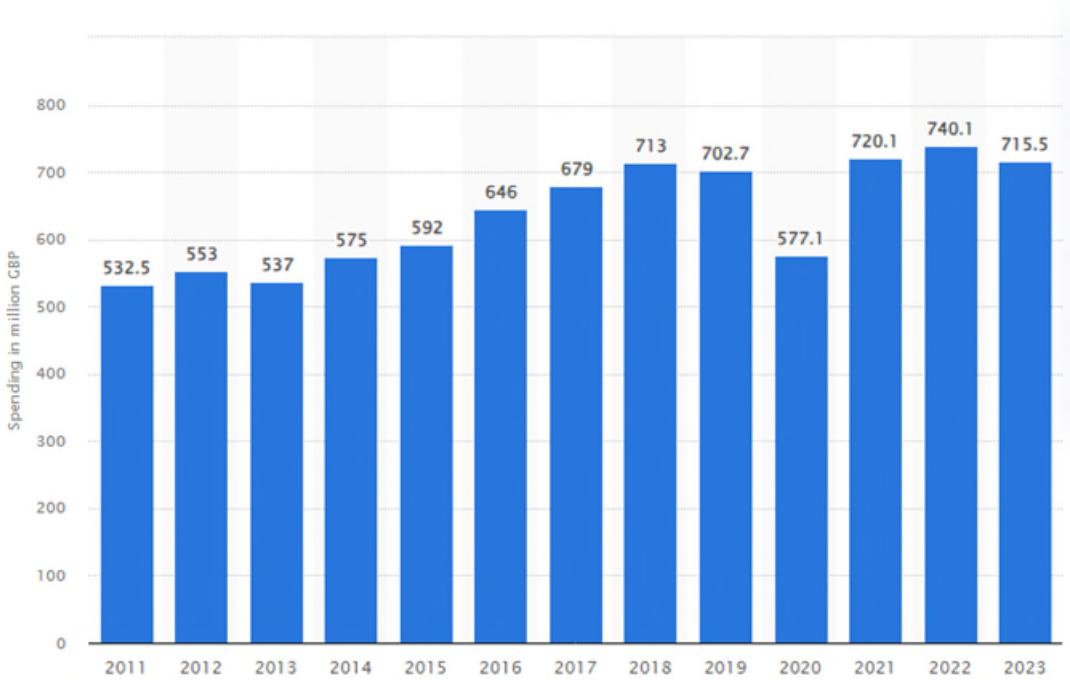
Online audio formats continue to be more popular among younger listeners. About three-quarters (74%) of 15-34-year-olds listen to streamed music each week, but half still listen to live radio on a radio set (either at home, in the car or at work/elsewhere) at least once a week. Over the fourth quarter of 2016 to the first quarter of 2025, weekly radio listening hours remined stable at one billion weekly radio listening hours according to RAJAR Data Releases (Q4 2016 – Q1 2025). DAB and FM continue to account for the vast majority of radio listening hours. Their relevance is set to endure well into the future, with no clear timetable or demand for a switch-off. This longevity is underpinned by widespread ownership of FM and DAB-enabled devices with ongoing annual sales, long-term contracts with the Group, and continued listener habits across all demographics. Notably, the 2024 Ofcom Media Nations UK report found that approximately 70% of all age groups say they value using in-car radio – a setting where FM and DAB remain the dominant platform. The following chart shows the weekly use of different audio types for adults (aged 15+) from 2019 – 2024:




## Radio Industry Revenues

Commercial radio is funded purely through radio advertising and sponsorship, unlike BBC radio, which is funded from the licence fee. In the year 2023/24, 11.6% of the BBC's public service broadcasting expenditure – generated from licence fee funds – was spent on radio services (c.£507,000,000). This represented a year-on-year increase of 0.6%, and radio services were one of the few areas of BBC content to receive an increase in public service broadcasting expenditure.

Since 2011, radio advertising revenue has gradually increased, with a 3.2% year-on-year increase reported in 2024, and an estimated market value of £738 million (Source: Radiocentre). Digital audio advertising expenditure also grew by 12% between 2022 and 2023, mainly driven by podcast advertising, which grew by 23% to reach £83 million in 2023 (Source: Ofcom Media Nations: 2024). The following chart shows radio advertising expenditure in the UK from 2011 to 2023 (Source: Statistia):




## Digital Radio and DAB

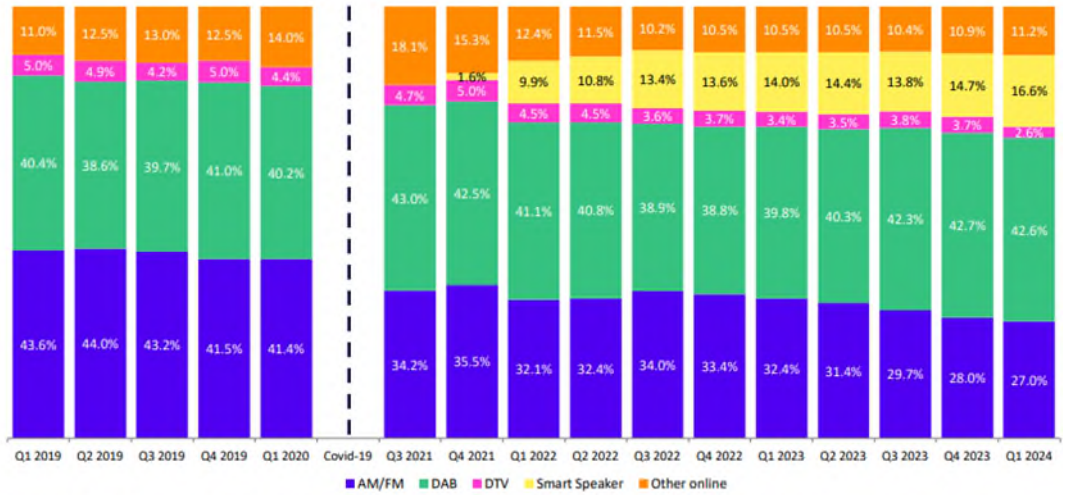
Most BBC and commercial radio services broadcast using digital technology, particularly through DAB transmissions which accounts for 44% of all listening as of June 2024, digital television and online. Whilst total radio listening hours per week have remained stable, the proportion of digital radio listening hours has increased significantly from 34% in the first quarter of 2013 to 87.2% in the fourth quarter of 2024 in an average week, digital listening accounts for 746 million hours; DAB has a 59% share of digital listening hours, Smart speaker 22%. Website/Apps 15%, DTV 4% (Source: RAJAR).

The last couple of decades have seen huge growth in the number of brand extensions available across the UK, both online-only and on DAB/DAB+. Many commercial stations have switched from broadcasting in standard DAB to DAB+ in the past year, including a selection of Bauer's Absolute and Magic brand extensions as well as Global's Classic FM. The move means that more Bauer stations are now available UK-wide, while Global have used DAB+ to free up capacity for new stations Smooth Relax and the pop-up station Capital.

Alongside brand extensions, 15 independent local radio stations in England and Wales, including Metro Radio and City Radio, were rebranded by Bauer as Hits Radio in April 2024. The total number of DAB stations now stands at 711 nationally, including 56 national commercial stations and 11 national BBC stations.

Commercial stations have extended their market share, accounting for 54.2% of radio listening in Q1 2024 versus 43.4% for the BBC, and their reach remains high, with 70.4% of people aged 15+ listening on a weekly basis. At the same time, online listening continues to grow steadily, overtaking AM/FM for the first time in Q1 2024 to account for 28% of all live radio hours, mostly through smart speakers. DAB, however, remains the most popular platform for radio listening, accounting for 42.6% of hours and up by 2.8 percentage points in the past year (Source: Ofcom).

DAB penetration remains relatively high, with broadcasters increasingly using DAB+ to provide listeners with a greater choice of stations. The following graph shows the total share of listening, by platform, from 2019 – 2024 (Source: Ofcom):




*Source: RAJAR. Dotted line indicates suspension of fieldwork due to the Covid-19 lockdowns. This led to subsequent changes in methodology, so comparison with previous quarters should be made with caution.*

## Digital Radio and Audio Review

The Digital Radio and Audio Review was commissioned by the Government in February 2020 with the primary objective of assessing future trends in listening and to make recommendations on ways of strengthening the UK radio and audio sector. The Review was led by DCMS and undertaken in conjunction with a broad cross-section of industry stakeholders, Group played a major role in this review contributing to and shaping the report recommendations. The report was published in October 2021, one of the conclusions made in this report was that "*Radio remains a strong, trusted medium in the UK delivering significant public value. 89% of the population tunes in every week, a figure which has remained remarkably consistent in the last decade. Traditional radio, including FM services, is valued by many – listeners - particularly those who are older or vulnerable, drive older cars or live in areas with limited DAB or broadband coverage. On current trends, therefore, the Review's conclusion is that FM will be needed until at least 2030*". High listening share reinforces the importance to broadcasters of the DAB and FM platforms, with locked-in contracts supported by significant DAB and FM device ownership.

Any switch-off of FM would require further roll-out of DAB, particularly to increase the BBC coverage levels to match the current levels of FM coverage and to improve DAB coverage on roads. BBC and commercial broadcasters are likely to exit most analogue AM radio broadcasts as per announced plans due to low listening shares.

As of March 2025, there have been no new government comments regarding the Digital Radio and Audio Review. This is likely due to the ongoing DCMS review on the future of TV. A closure of the AM platform is expected prior to 2030 However, the FM analogue radio platform is not expected to close before 2030, with its life expectancy into the 2030s and potentially beyond. A further review of the sector is expected at the end of this year, most likely being completed during 2026. In the meantime, Ofcom are currently reviewing two consultations on greater flexibility for community radio stations and the growing use of smart speakers, as outlined in the Media Act 2024.

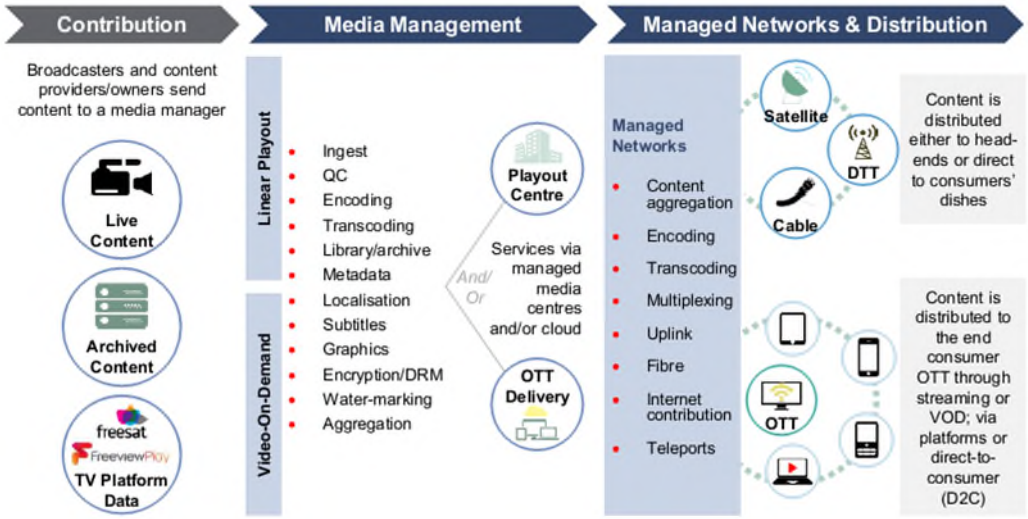
## Radio Broadcast Regulation in the UK

As with TV, radio broadcast service has two distinct parts: MTS and NA. Together these services allow delivery of broadcast media content to end consumers over the air. The Group has a monopoly position with respect to NA and provides MTS for the BBC and nearly all commercial radio broadcasters in the UK as at the time of publication of this Offering Memorandum. For this reason, the Group's radio transmission

services are regulated by Ofcom, and are subject to the Undertakings given to the Competition Commission (now its successor, the CMA) and overseen by the OTA-BTS, appointed by and reporting to Ofcom. Under the Reference Offer framework, pricing for transmission services can be reviewed by the OTA-BTS. For further background, see "*Business—Media and Broadcast Business Function" and "Regulation of the Communications Industry in the United Kingdom—Competition Regulation*".

### Satellite and media services industry

Within the broader Satellite and Media industry that encompasses the various steps from content creation by broadcasters or independent producers to viewer consumption, the Group operates across the following steps of the value chain:




*Source: Company information*

Once video content is produced, it is then processed through the media management part of the value chain and value is added through services such as metadata creation, localisation, etc. Prepared content is made ready for delivery as linear channels or VoD via multiple distribution paths, such as satellite (DTH), DTT, cable or OTT. For satellite distribution, scale providers "multiplex" a number of channels that are then uplinked to satellites before transmitting down to end consumers to receive via their satellite dishes. For OTT distribution, providers supply services such as transcoding and watermarking before content is delivered as linear streams or as VoD, either direct-to-consumers or via third-party platforms.

Historically, components of the media value chain such as on-premise Multiplexing have been capital expenditure heavy, requiring investment in physical kit and facilities (such as teleports), but the market is evolving towards virtualisation of media management and distribution capabilities, which enables delivery of less capital-intensive services.

The competitive landscape is fragmented along the media management and distribution value chain. Broadcasters (and rightsholders who do not distribute via broadcast) may insource or outsource all or part of that value chain, though there is a growing trend to outsource given the advantages of a unified, seamless service across media management and (increasingly) multiple paths to distribute content, as well as the trend to virtualisation. The Group believes it has the opportunity to grow on the back of increased outsourcing. There are few providers that operate across the entire media management and distribution value chain like the Group does giving the Group a distinct competitive advantage. Within Media and Broadcast, there are satellite and media business segment that complement the broadcasting business function, and the two business functions have several customers who buy multiple service lines (including media management, OTT, DTH and DTT).

Several trends are currently affecting the video market. First, consumer behaviour is becoming increasingly "hybrid", with growing demand for viewing of video-on-demand anytime, anywhere, and a parallel growing demand for multiple screen/device viewing, for both video-on-demand and linear content.

Second, the video distribution industry is facing numerous changes of which include:

- A growing number of distribution platforms (DTH, DTT, cable, IPTV, and OTT);
- Improvements in compression technology, enabling more efficient distribution of high-quality video at lower cost;
- Globalisation of content, providing better monetisation of valuable content rights;
- Increasing volumes of HD content, in both linear and VoD formats; and
- A slow growth in demand for UHD content, primarily focused on sport content on DTH, but more widely available on IPTV.

These video distribution trends have resulted in increased operational complexity for broadcasters, impacting business models. The Group's customers are facing the cost and complexities of operating two businesses: traditional linear and OTT to serve their audiences.

As a result, broadcasters have been investing more in securing exclusive content rights, which in turn creates an incentive to monetise expensive content globally, and to monetise OTT as well as through traditional distribution. In addition, rightsholders (who do not broadcast) seek to monetise content OTT (via streaming or VoD, and either through third-party platforms or direct-to-consumer). In addition, these trends have resulted in increasing virtualisation of media management and distribution capabilities.

These developments have encouraged operational and commercial flexibility, rather than a rigid focus on one business model that has been prevalent previously.

The Group is specifically targeting the move to IP and cloud-based distribution building on its credentials and expertise in traditional Media and Broadcast markets. The Group's products such as Arqade which is a self-service content interchange and Arqplex which brings traditional linear and OTT services together in a headend-as-a-service offering.

### Satellite distribution services: the UK DTH Distribution Market

There are two main routes through which broadcasters can access DTH. Broadcasters can either self-manage their DTH capacity (i.e. lease satellite capacity directly from satellite operators) or access a fully managed proposition by outsourcing to a third-party intermediary. The majority of satellite channels in the UK have adopted an outsourced proposition, at approximately 57% of the 602 total satellite channels in the UK as of 31 March 2023 according to Group estimates.

Services provided can be divided into multiplexing, distribution and the provision of satellite capacity which in turn can be owned or leased from a satellite operator. Distribution is enabled via media teleports, making technology an essential part of the satellite broadcasting value chain. Satellite service providers who also own the infrastructure (e.g. the Group in the UK) have a competitive advantage as they are able to generate higher margins resulting in higher profitability. Furthermore, they can ensure that quality standards are maintained which is important given the emphasis that customers place on the quality of the service delivered.

In the UK, four main operators provide DTH services to satellite platforms: Arqiva, Sky, GlobeCast and SES. The Group's UK DTH satellite and global media business is a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels uplinked for DTH satellite broadcast. As of June 2024, the Group provides services to c.24% of fully managed channels

for UK DTH. Demand for satellite capacity for UK DTH is impacted by three things: (i) Uptake of HD/UHD; (ii) improved compression (MPEG-4 vs. MPEG-2); and (iii) switch off of SD channels driven by platform competition, overall brand/channel consolidation and channel economics (SD+1).

In aggregate, the overall demand for UK DTH satellite capacity is expected to decline over the next decade as platform competition from IP alternatives increases. This will be driven by SD channel closure i.e. PSB regional HD services have now launched, and their respective SD channels have now closed and +1s are increasingly uneconomic due to low incremental advertising revenue generation.

## Managed media networks

Managed networks consist of the distribution of video content either via satellite or fibre to broadcasters across the globe. Content is received from broadcasters and content owners and then distributed via leased satellite and fibre to a specific coverage area (e.g. Europe or a part of Asia). The broadcasters then receive the video content and distribute it further to end consumers.

Key players in the market include SES, Encompass, GlobeCast, Babcock and the Group. SES, Encompass and GlobeCast are global players in relation to both contribution and distribution whilst Babcock and the Group offer a predominantly UK/EMEA focused contribution service with global distribution. The Group provides an attractive and fully managed customer proposition by leveraging on its strong global client relationships.

### *Key trends for Managed Networks*

There are three major trends that are expected to drive change in the managed network industry over the next 15 years:

(f) Customer needs: customers are primarily concerned about receiving a reliable service that meets their needs. Broadcasters are looking for reliable managed networks, typically achieved by using a minimum of two transmission systems (either two working systems or one primary/one back-up) and up to four systems for larger channels, combined with the mix of different transmission mediums and providers.

(g) Data volumes: overall content transmitted across networks has been growing significantly in recent years, mainly driven by strong demand for occasional use and OTT. In addition to increased demand for Tier 1 sports, there is growing demand for Tier 2 live sports events (e.g. e-sports) and better geographic coverage as well as increased demand for OTT content and remote production.

(h) Technology: The market is transitioning to cloud and IP delivery for global media content aggregation, affiliate distribution, processing (headend services), and distribution. There is also shifting demand from on premise multiplexing services to virtual and cloud-based solutions. In the satellite space, the emergence of LEO operators such as Starlink is disrupting the data market with LEO increasingly set to replace other higher orbit satellite services (e.g. GEO) and provide competition to terrestrial based broadband networks (e.g. fixed, cellular) for the delivery of services.

The Group is supporting this market transition and has established itself as a provider of products to access media contribution and distribution services without physical infrastructure installation. Originators can create their content, packages and channel bouquets of content. The content is made available through the Arqade platform. Broadcasters and TV platforms discover, review and select packages of their content. Content can be automatically processed in the required formats and protocols. Channels and/or live events packages are then distributed to where required for the broadcasters' audiences.

Arqade is a platform that provides event and channel distribution services through the public cloud. Arqade brings rights holders/originators and broadcasters/recipients together. The former have a single virtual interchange where they can showcase and syndicate content to the latter – who can rapidly discover,

review and request that content to create new channels or fill live event schedules. All of this is implemented in the cloud, without having to invest in physical infrastructure or customers having to build their own future-ready cloud environments.

## Smart Utilities Networks

Smart Utilities Networks addresses the UK regulated market for Gas, Electricity and Water. In each separate market there are a small number of regulated entities.

### *Energy Market*

In the energy market, consumers enjoy retail competition, allowing them to choose who they wish to provide the electricity and gas services, including from providers such as Octopus and British Gas. Smart metering, a key feature of which being to enable retailers to charge consumers for usage and to offer tariffs which change consumption patterns, is provided to the market via the Data Communications Company (the "**DCC**"), a centralised licensed body.

Upstream of the energy retailers are both transmission (bulk transfer of energy throughout the UK) and distribution networks (delivering gas or electricity to homes and businesses). Energy transmission is by a single supplier for the whole UK, National Grid and National Grid Gas. Energy distribution is achieved by a few, large, distribution network operators operating in discrete geographies (see below).

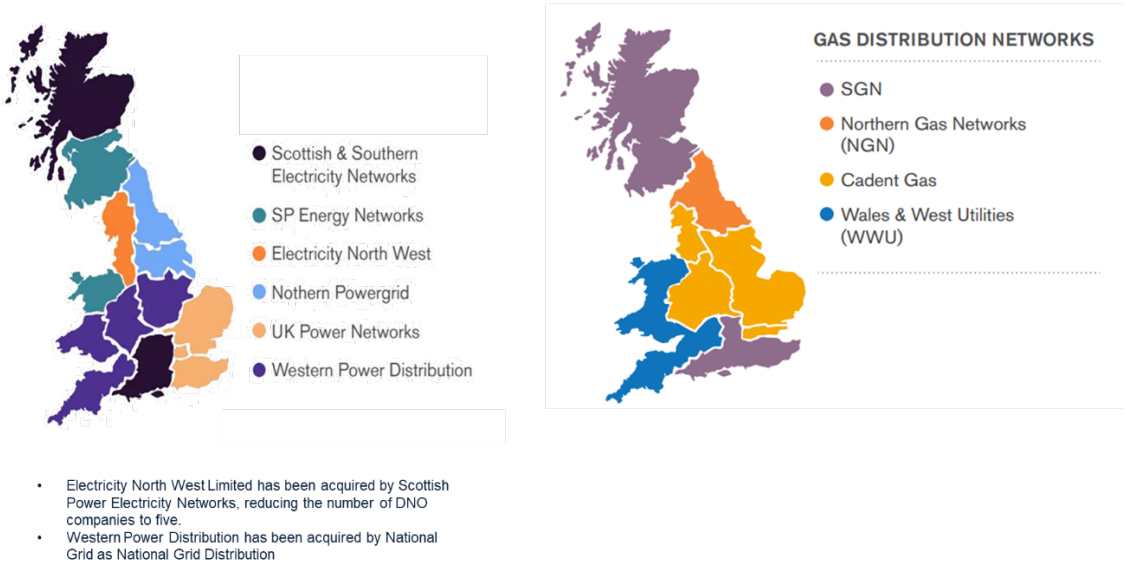



*Figure 1: Source Ofgem*

The sector is regulated by Ofgem, who create a regulated environment on a five-year cycle that sets the amount transmission and distribution networks can charge retailers and how much investment they must make to achieve specified outcomes. This price review process is known as RIIO, Revenue = Investment + Innovation + Outcomes. Whilst each of these regulatory periods and process reviews last for 5 years they are staggered in terms of sub-sector timing. See below:

| | **RIIO 2** | **RIIO 3** |
|---|---|---|
| Transmission (T) | 2021 ~ 2026 | 2026 ~ 2031 |
| Electricity Distribution (ED) | 2023 ~ 2028 | 2028 ~ 2033 |
| Gas Distribution (GD) | 2021 ~ 2026 | 2026 ~ 2031 |

***Water Market***

The water sector has similar dynamics but also some fundamental differences. Regulated by Ofwat, there are 17 large water companies, and as with the energy sector, the regulator carries out price reviews leading to a five-year regulated period known as Asset Management Periods (AMP). Currently, the Group is entering the eighth period of regulation on 1 April 2025 (AMP8) which will run through to the end of March 2030.

For domestic consumption there is no retail competition; domestic water supply can only come from the geographically licenced operator within whose territory one's property is located. Businesses, as defined by Ofwat, can choose from several water retailers who buy water on a wholesale basis from the large water companies.

The water sector is also accountable for the removal, treatment, reintroduction or disposal of wastewater. There are water companies who supply both services as well as companies who only supply clean water only and rely on another company for waste services. This leads to some customers having two water companies supplying their property, one for clean water and one for waste. In addition, all water companies have a requirement to manage the environmental performance of their networks and the natural water courses in their area of operation, for example the duration of discharge into the rivers and seas and the amount of water abstracted from the natural environment.

In December 2024, Ofwat published its final determination for the water industry regulatory period 2025~2030. Six water companies are asking for their final determination to be reviewed by the Competitions and Market Authority, this process can take up to a year.

In response to structural challenges in the Water sector and public and government concerns over the performance of the water companies, the current government has launched 'The Cunliffe Review' an Independent Commission into the water sector and its regulation. Recommendations from the review are expected in 2025.

In addition, the Government has passed the Water (Special Measures) Act 2025, stricter accountability measures for water company executives, including blocking bonuses and enabling criminal charges for persistent pollution or negligence. It establishes automatic fines for pollution incidents and mandates real-time monitoring and transparency of storm overflow discharges. Additionally, the Act outlines further measures to enhance environmental strategies, expand regulatory powers, and clarify responsibilities for Ofwat and water companies. Bill, achieving Royal Assent in February 2025.

The map below shows the Water and Waste Companies (WASC), and the Water Only Supply Companies (WOSC) in the UK:

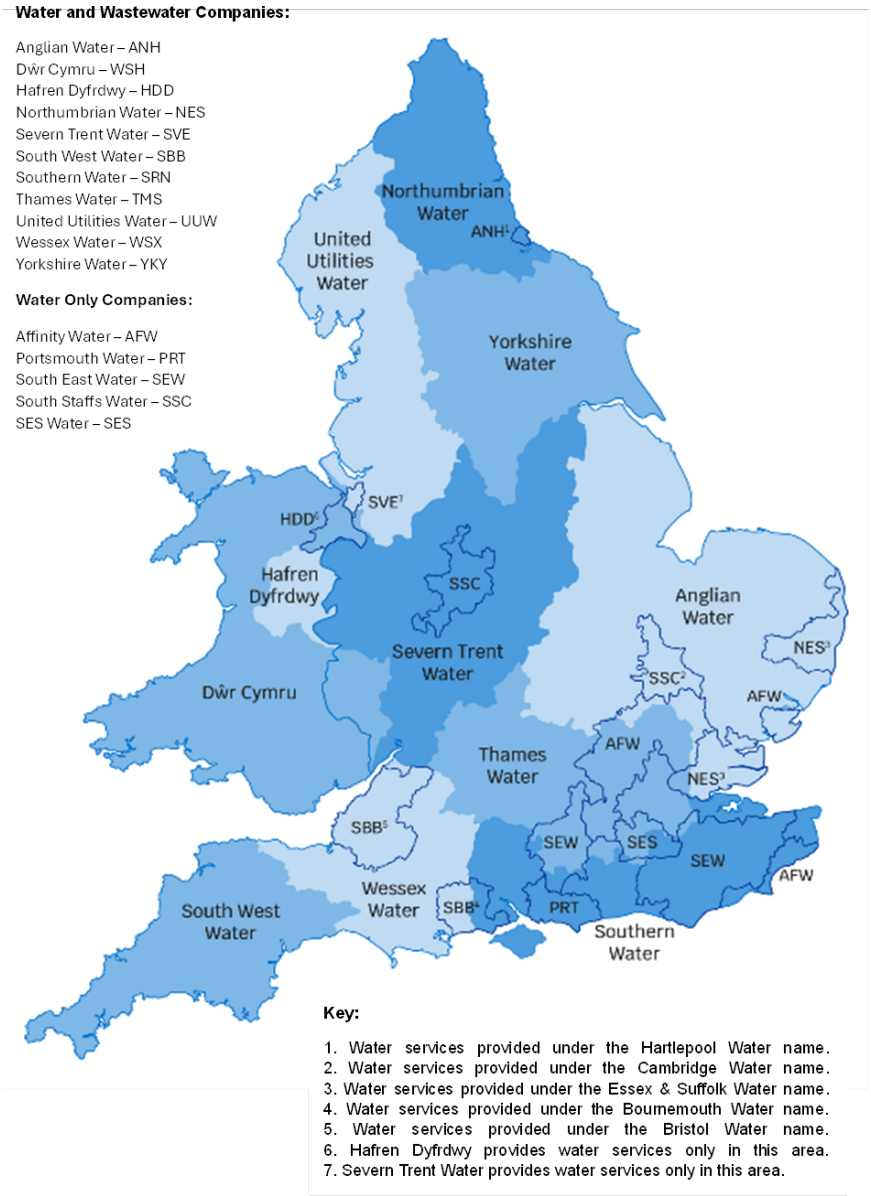



*Figure 2: Source Ofwat*

## Smart Metering in the UK

### *Gas and electricity smart metering*

Smart meters provide real time data on energy use across premises which can be used to help customers to lower their energy consumption. This, in turn, can generate significant economic benefits for utility companies and consumers.

In the UK, the Government has mandated the roll-out of energy smart metering. At the beginning of March 2025, there were 33.8 million smart and advanced meters in homes and small businesses across Great Britain, representing 20.3 million connected premises. The Government previously set the target of 100% smart meter installation in homes and small businesses by the end of 2025 (Source: OFGEM).

The programme has been retail energy supplier led with these organisations accountable for the supply and installation of smart meters for their customers. The meters themselves are not assets of the energy retailers to better enable consumers to switch supplier without having to replace their meter. Smart meters are linked to a communications network via a communications hub with the data from smart meters being received and managed by the Data Communications Company (the "**DCC**") which acts as the market orchestrator, see below.

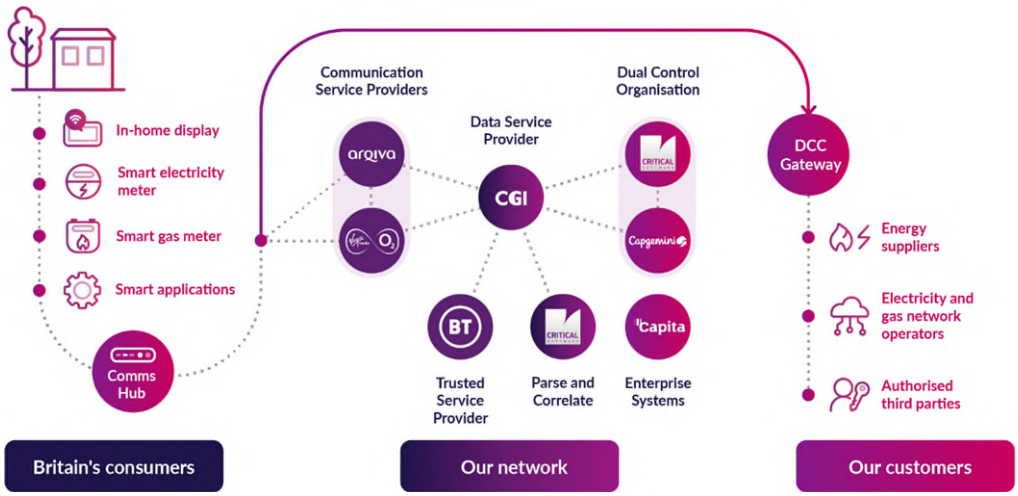


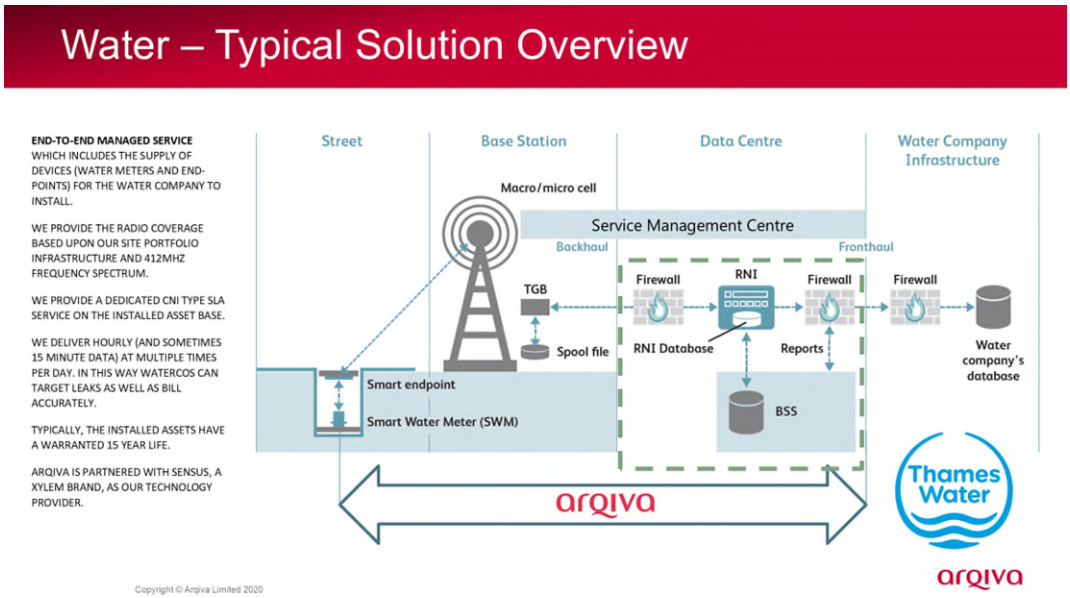

Figure 3: Source DCC Note: Vodafone are now also a Communication Service Provider

The contracts for the provision of communication services, including the provision of the communications hubs, were tendered by the Government at the start of the smart metering roll-out process in 2013. Telefónica won the contracts for South and Central England and the Group won the contract for the North of England and Scotland, a region containing approximately ten million households. In 2023 after a tendering process and consultation with the utility companies, Vodafone won the contract to provide 4G services and communication hubs in the UK.

***Water smart metering in the UK***

Smart metering is acknowledged as key to reducing consumption and helping identify and fix leaks in or near the premises on which smart meters have been installed. A smart meter (categorised as Advanced Metering Infrastructure (AMI)) is a connected meter delivering real-time usage data to water companies. This differs from non-smart meters which need to be read manually, in various ways, and therefore only provides periodic meter reads. As real-time usage is more effective at influencing consumption and identifying leaks faster, AMI meters are now the standard.

Smart metering, whilst not currently mandated across the whole of the UK, is a priority investment for water companies and the regulator, with growing population and climate change creating further pressure on the UK water supply. The Final Determination for the next regulatory period (AMP8) has approved £2.5bn of investment in smart metering as part of a £104bn overall investment in water infrastructure. This will support the rollout of c.10 million smart meters in the period 2025-30 with all water companies, except Dwr Cymru, having targets to connect and gain smart meters reads to agreed volumes and standards.




There are key differences between smart metering in water and smart metering in energy. Water meters are most commonly below ground and have no access to mains power. Water meters connect directly to the communications service without a comms hub as there is no need to combine gas and electricity information, and there is no in-home display. The meter is owned and operated by the Water company and there is no central orchestrating body like the DCC.

The fact that water meters are deployed below ground, with no mains power, plus the importance of the completeness and timeliness of data has shaped the smart metering market around meter manufacturers and network communication providers and protocols. Some water companies have chosen to include installation activity within the scope of smart metering procurements given the importance of joined-up planning and quality of installation to assure levels of connectivity.

There are four smart meter manufacturers with large scale deployments in the UK: Sensus, Elster (Honeywell), Diehl and Itron. Sensus, working through the Group, has the largest number of AMI smart meters in the UK. The Group enjoys a long relationship with Sensus and has recently formed a strategic partnership with Diehl. The Group can also work with any certified meter from any manufacturer to work with the Group's solution.

In terms of network communications providers and protocols, two of the Group's primary competitors use an open standard LoRaWAN to achieve their connectivity. Netmore, a Swedish parented company who deploy network infrastructure on telecoms assets, and Connexin, a UK communications company based in Hull, primarily using local authority assets (lampposts and buildings) made available to them as part of a wider fibre connectivity offer to the local authorities. LoRaWAN operates at 868MHz in the UK meaning lower penetration below ground than lower frequencies using the same scale of network infrastructure. Another potential competitor, Calisen, also uses an open standard LoRaWAN to achieve their connectivity.

The other key network communication protocol is Narrow Band Internet of Things (NB-IoT). The primary provider of this protocol, into the Utilities market, is Vodafone who has deployed a specialised version of 4G targeted at low bandwidth battery powered devices. Vodafone provides services to companies include Elster/Honeywell and other smart meter manufacturers. This technology can be attractive to water companies as it does not require a network to be built to deliver their programme, but it is not currently proven at scale in the UK and, given it operates in the 900MHz and 1800MHz bands in the UK, it also suffers from reduced penetration levels similar to LoRaWAN. There are other potential competitors in the water meter market adopting other technologies, including Suez and Horizon which use technology from

the Wize Alliance which utilises unlicenced spectrum. These have not been successful in securing smart water meter contracts to date.

The Group provides a unique communications offering leveraging the FlexNet platform in partnership with Sensus and the 412-414MHz spectrum privately held by the Group. This solution is proven solution, at scale, to deliver very high levels of connectivity performance. The Group has also developed LoRaWAN and NBIoT solution variants to be able to offer different price and performance options to water companies and also to support other smart water applications eg managed sensors (see below).

There are three major installation companies in the UK, Clancy, Morrisons and Network Plus. Most water companies continue to contract separately for meters, communication and installation but the Group is seeing a trend for integrating these into a single contract. The Group has long standing working relationships with Clancy and Morrisons through its solutions deployed with Anglian and Thames Water respectively and has recently entered a supply partnership with Network Plus to deliver the United Utilities contract.

Smart metering solutions deliver a vast amount of data to water companies requiring suitable IT systems and capabilities to not only execute usage-based billing but also to extract operational insight and enable wider engagement with consumers on consumption patterns. Established meter data management systems (MDMS), the most common being a platform called Temetra which is owned by Itron, were not designed for the level and complexity of data. This element of the market is seeing new entrants, such as Kraken, and increasing focus from global hyper-scalers and specialist data and insights providers able to leverage artificial intelligence (AI) and machine learning (ML). The Group has developed a series of focused visualisation modules that sit on top of its data platform to support water companies to complete during their own transition or become their longer-term solution.

***Managed sensors and connectivity networks***

Sensors and connectivity networks provide the ability for a utility organisation to add or improve monitoring of their operational networks and assets. Managed sensors and managed connectivity solutions include the relevant devices, communications solutions and operational management where appropriate. Contracts for these services typically transfer a level of risk to the solution provider aligned with the target outcomes of the Utility organisation.

Sensors are of relevance to the water sector where water company operational teams and capabilities have been built to support primarily passive infrastructure, pipes and valves. Managed sensors support their need to address efficient use of their assets and provide a level of transparency about the performance of their networks.

In energy, specifically electricity, the transition to Net Zero by 2030 is putting pressure on existing operational technologies and teams. A significant change in the ways in which energy is produced, stored and consumed, alongside rapid expansion of demand amplified by the shift away from natural gas, is transforming the connectivity needs of energy distribution network operators.

The Group has capabilities that can support Utilities with their managed sensor and managed connectivity needs. The Group's focus in the Water segment is on managed sensors, including enabling these sensors to operate on the network deployed for smart metering. In the Energy segment, the Group is focused on providing managed connectivity solutions to Distribution Network Operators especially given the withdrawal of legacy PSTN connectivity and the need for increased connectivity and connectivity resilience.

The Group has a new solution in managed sensors for water developed and working and will shortly commence Proof of Concept (PoC) trials with several customers. Initial use cases include chlorine sensors and sewer level monitors, which is an area where the regulator has permitted significant additional investment. Further focus by water companies in this area is supported by recent legislation, Section 82 of

the Environment Act, which requires water companies to continuously monitor the quality of the water in rivers and streams both upstream and downstream of all sewer overflows.

Managed Communications is the Group's name for a portfolio of solutions that deliver connectivity to Utilities' remote sites. Across all utilities they have a small number of critical sites, an intermediate number where the output from those sites is broken down for further distribution and then a large number of sites that serve properties. This is often referred to as tiered sites.

Top tier sites are becoming increasing complex and critical to performance and the resiliency of communication is vital, especially in abnormal circumstances such as natural events (storms and drought), cyber (malicious or accidental), societal (vandalism and industrial action). Restoration of operational performance during or after one of these events requires resilient communications both for the equipment and the staff, all with high levels of security.

Lower tier sites are increasingly important in dynamically responding to changes in consumption or distribution. The vast majority of the lower tier sites have no, or inadequate, connectivity today. The withdrawal of copper-based telephony services is removing the most prevalent historical connectivity solution. These copper lines are also currently used to power many monitoring devices.

The Group has developed a portfolio of solutions, leveraging its experience and expertise, offering satellite, cellular and fixed services in any combination to support Utilities address future requirements and has recently been contracted by SGN to deploy this solution to over 400 sites.

### Satellite Data Communication

Satellite Data Communication (SDC) provides data services for those that cannot easily access 'normal' internet connections (e.g. oil rigs). The customer has a modem or router that links its workstations to a satellite receiver or transmitter. Then, the data is transmitted from the customer's location to the satellite transponder, which has dedicated capacity to receive and transmit data. Finally, data is transmitted from teleport locations and linked to the internet backbone. The Group has leased dedicated capacity on satellite to receive and transmit data, it receives data from its own teleport locations and links this to the internet backbone or dedicated circuits.

In the medium-to-long term, demand for SDC services is expected to evolve as its product and customer mix changes. Capabilities in this area will be used to support the Group's utility customers e.g. in the energy sector with SGN. The Group will also explore the utilisation of LEO within its offering, building on its support for LEO operators through their up-linking and ground services requirements.

# BUSINESS

*The following should be read in conjunction with the other information regarding the Group in this Offering Memorandum, including "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Group's consolidated historical financial information and the related notes included elsewhere in this Offering Memorandum. Unless otherwise stated, the financial information relating to the Group set out in this part of the document has been extracted without material adjustment from the Group's consolidated historical financial information and the related notes included elsewhere in this Offering Memorandum. Each of the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial years ended 30 June 2024, 2023 and 2022 have not been restated to reflect restatement of historical financial information described under section "Presentation of Financial and Other Information—Restatement" above.*

*This section includes forward-looking statements that reflect the current view of the Group and involve risks and uncertainties. The actual results of the Group could differ materially from those contained in any forward-looking statements as a result of factors discussed below and elsewhere in this Offering Memorandum. See "Forward Looking Statements".*

## Business Overview

The Group is the UK's pre-eminent national provider of television and radio broadcast infrastructure and provides end-to-end connectivity solutions in the media and utility industries. The Group is also a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels available for UK DTH satellite broadcast. Over recent years, the Group has also expanded its connectivity solutions portfolio in the Media and Broadcast segment deploying cloud and IP based solutions, building on its well-established existing satellite and fibre capability.

The Group has been an early and leading participant in the development of smart utility infrastructure in the UK through its smart water and energy metering services and provides satellite connectivity services for energy distribution networks.

Revenue has increased over the past two years with revenue of £613.3 million and £645.2 million for the years ended 30 June 2023 and 2024, respectively, with EBITDA of £337.2 million and £309.4 million, for the years ended 30 June 2023 and 2024, respectively.

The Group's unique asset base (the Group's property, plant and equipment was £1.2 billion as of 31 December 2024, as restated) enables it to generate revenues underpinned by long-term inflation-linked contracts, as demonstrated by a strong Orderbook of £2.9 billion as of 30 June 2024 (calculated on a real terms basis with no assumptions for contractual inflation)[1], with significant revenue visibility. Approximately 73% of the Group's actual revenues realised in the year ended 30 June 2024 were already contracted as at 30 June 2023.

The Group operates through two main commercial functions: Media and Broadcast and SUN.

In this Offering Memorandum, market share metrics are the Group's estimates.

## Media and Broadcast

The Group's Media and Broadcast revenue function is composed of DTT transmission, DTT capacity (Digital Platforms), Radio transmission, Radio capacity and Managed Media Services segments.

[1] £3.4bn total estimated ABPL orderbook as at April 2025 (for contracts beyond 1 July 2025) expressed on a nominal basis, representing 5.3x multiple of FY24 Arqiva Broadcast Parent Limited revenue.

The Group benefits from a regulated position as the sole UK national provider of transmission services for DTT broadcasting, the most used TV platform for the consumption of linear and live content in television homes across the UK. The Group operates all television transmission sites used for DTT broadcasting in the UK, with over 1,450 broadcast transmission sites of which c.1,150 are television transmission sites, covering 98.5% of the UK population, and comprising approximately 4,500 TV transmitters. The Group also operates more than 80 compression systems across DTT, DTH and Radio. Certain services within the Media and Broadcast segment are regulated and they represent 44% of Group revenue[1].

Through its Digital Platforms division, the Group is also the UK market leader for the provision of access to the DTT platform for broadcast channels, operating the license for two (of six) national DTT Multiplexes used for transmission of DTT services in the UK. The Group's DTT Multiplexes have 34 streams carrying 40 channels including full time 24/7 TV channels in addition to part time TV and radio services as of 30 June 2024.

The Group's network enables the public service broadcasters (PSB) - BBC, ITV, Channel 4 and Channel 5 - to meet the obligations under their licences to provide universal coverage to 98.5% of UK households. This is through the subscription-free TV platform Freeview plus other services which include a DTT tuner (e.g. Freely, BT TV, TalkTalk TV). Through operating its own multiplex services the Group also permits leading broadcasters such as Sky, Warner Bros, Discovery and UKTV to deliver broadcasting content to 90% of UK households using its channel capacity. While consumer preference indicates rising use of "over the top" ("**OTT**") services, popularly known as streaming services, free to air ("**FTA**") television retains a majority share of live video viewing in the UK as per published TV viewing data, especially for older age groups. The near-universal coverage of DTT combined with both affordability and broadband coverage and uptake constraints suggest that the future is likely to remain a hybrid of FTA TV, Pay-TV and OTT with a substantial share of viewing driven by FTA TV, which is underpinned by broadcast services.

The Group also benefits from its regulated position as the only UK national provider of radio broadcast transmission services with a 100% national market share, covering both analogue and digital services through Digital Audio Broadcast (DAB). The Group had radio network infrastructure comprising approximately 1,700 analogue transmitters and c.1,020 DAB transmitters on over 690 radio sites, providing coverage of up to 99% of the UK population as of 30 June 2024. The Group's three largest customers account for approximately 90% of total radio listening time across the UK (Source: Ofcom Media Nations 2024).

The Group is also the operator of the two (of two) national commercial digital radio multiplexes (including through joint ventures) and held 25 of the UK's 58 local DAB radio licences as of 30 June 2024. Further, the Group is the service provider for the BBC national digital radio Multiplex. The Group intends to support its customers and the industry by continuing to develop digital DAB radio as an attractive medium for listeners and planning for the expected eventual phase-out of analogue (AM closure is expected to be phased over time and completed before 2030 while there have been Government statements of support for no FM switch-off before 2030), and positioning DAB as the default replacement network for analogue services.

The Group's Managed Media Services business segment is a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels uplinked for DTH satellite broadcast. The Group provides services to c.24% of fully managed channels for UK DTH as of 30 June 2024. The Group operates more than 80 uplink dishes in five teleports (ground stations that act

[1] Regulated revenue from Media and Broadcast divided by group revenue, as of June 2024.

as a hub to connect a satellite network to a terrestrial telecommunications network), accessing more than 25 satellites and delivering media content to five continents.

The Group also provides ground station or gateway services to Low Earth Orbit operators, connecting their satellites to telecommunications network, enabling them to provide internet services to households and businesses. The Group also procures third-party ground-based teleport services where a line of sight to a satellite cannot be achieved from its UK assets. This infrastructure enables the Group to provide customers with a comprehensive range of services to deliver their data, broadcast content and media services internationally.

In addition, the Group provides encryption, multiplexing, up-linking and satellite space to channel operators through its global media distribution offering.

The Group provides network connectivity capabilities at over 300 key media and broadcast locations delivering content in the UK through its own optical and IP enabled networks and to the five continents around the world through leased access to a third-party global fibre network. The Group also provides IP and cloud-based services including distribution of broadcast channels and live sports globally, (augmenting its satellite and fibre footprint) reaching over 100 countries, video-on-demand content to over 40 streaming platforms, cloud-based content processing services (called multiplexing or head ends) and streaming solutions for OTT platforms.

**SUN**

The Group's second revenue function, SUN, is composed of its smart metering business and satellite data communications segments.

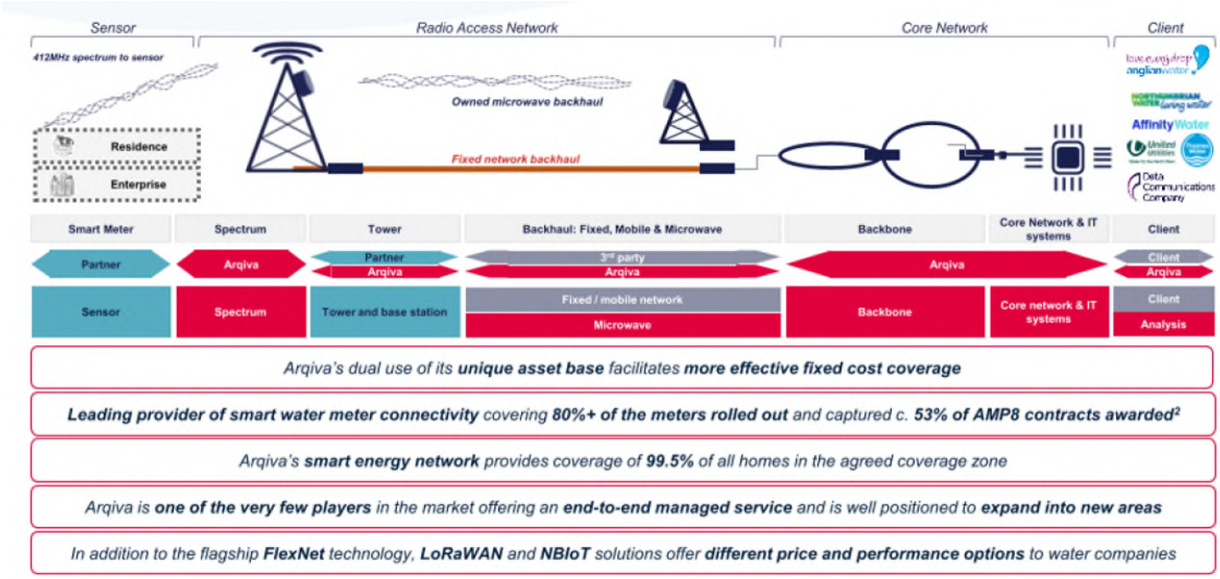
The Group has invested in building smart network capabilities to support UK Utilities in responding to regulatory, operational and societal factors.

| | Metering Networks | | Enterprise Networks |
|---|---|---|---|
| | Water | Energy | |
| Overview | Smart metering end-to-end managed connectivity services for UK water industry | Gas/electricity smart metering connectivity to ~10m HHs Scotland & North of England (sole provider) | Offering hybrid connectivity & security via multiple technology solutions<br>Provision of managed services for sensors at the network level |
| Typical Contract Length | 15-20 years and inflation-linked | Current contract with DCC expires in 2028, Arqiva is working towards a new long-term contract (beyond 2033) to ensure long-term supply certainty | 3-7 years |
| Customers | love every drop anglian water, Affinity Water, United Utilities, Northumbrian Water living water, Thames Water | UK Power Networks, Data Communications Company, Wales & West Utilities, Northern Gas Networks | SGN |
| Regulation | Regulatory impetus on water efficiency / sustainability | Government-mandated roll-out of smart meters | Regulatory impetus driving demand for network monitoring and data & analytics |

In the energy segment (Electricity and Gas), the Group supports smart metering through a contract with the Data Communications Company (the "**DCC**"), which is an entity operating under the Smart Meter Communication Licence granted by Ofgem and responsible for developing and operating the centralised infrastructure that facilitates secure communication between smart meters, energy suppliers, network operators, and other authorised users. The contract has a length of 15 years and includes the creation of a dedicated network providing coverage to premises in the North of England and Scotland regions. As of March 2025, c.6 million smart energy hubs and smart water meters connected to Arqiva's network with over 50 million data points delivered each day. In the energy segment the Group also offers connectivity solutions for Electricity and Gas distribution networks including a new contract signed in 2024 with SGN to

support enhanced connectivity to remote assets and locations. Enhanced connectivity solutions are a key priority for these organisations and are supported by Government policy as demonstrated in the priorities set out for the next regulatory pricing period (ED3 starting in 2028).

In the Water segment, the Group supports smart metering through contracts with a growing number of water companies who are investing in Advanced Metering Infrastructure ("**AMI**"). The Group secured the majority of AMI market share in the previous regulatory period (April 2020 to March 2025) and has secured more than 50% of the market (measured by volume of smart meters) awarded so far for the next 5-year regulatory period. As of February 2025, the Group has 2.1 million meters connected daily to the Group's networks, the majority with Thames Water and Anglian Water alongside smaller scale to Affinity Water and Northumbrian Water. As at the date of writing, the Group is beginning to deliver against new contracts and requirements for Anglian Water, Thames Water, United Utilities, Affinity Water and Portsmouth Water. The Group continuously reviews its business to ensure it focuses on core areas that are important to its customers and is actively engaging with water companies to understand how it can support programmes which require smart sensors to monitor key operational and regulatory obligations. The chart below shows how the Group plays a key role in the smart utility networks infrastructure in the UK.




### *Competitive strengths*

The Group believes that its success to date and its potential for future cash generation and growth are primarily attributable to the following strengths:

*Sole operator of critical national infrastructure for DTT and radio transmission and market leader for DTT and radio capacity*

The Group is the leading provider of universal TV and radio broadcasting services, operating a network of 1,450 broadcast sites, supporting more than 132 Freeview channels and 711 DAB stations, reaching every corner of the UK. The Group benefits from a regulated position as the sole UK national provider of transmission services for DTT broadcasting, the most popular television broadcast platform in the UK in terms of the number of homes served. It operates all television transmission towers used for DTT broadcasting in the UK, with c.1,150 transmission sites covering 98.5% of the UK population.

The Group also benefits from its regulated position as the only UK national provider of radio broadcast transmission services with a 100% national market share, covering both analogue and digital services through Digital Audio Broadcast (DAB). The Group had radio network infrastructure comprising approximately 1,700 analogue transmitters and c.1,020 DAB transmitters on over 690 radio sites, providing coverage of up to 99% of the UK population as of 30 June 2024. As of Q3 2024 c. 70% of audio

consumption was on radio with platforms operated by Arqiva (AM/FM, DAB and Digital TV) contributing to ~72% of radio listing.

Through its DTT Capacity business, the Group is also the UK market leader for the provision of access to the DTT platform for broadcast channels, owning two of the three national commercial Multiplexes (out of a total of six main national DTT Multiplexes). Combined the two commercial DTT multiplexes provide 34 video streams of which the majority are occupied by blue-chip customers. Despite pricing pressures, the Group has achieved new channel launches and maintained strong capacity utilisation. The average level of utilisation in the last complete financial year period ending June 2024 was over 99%.

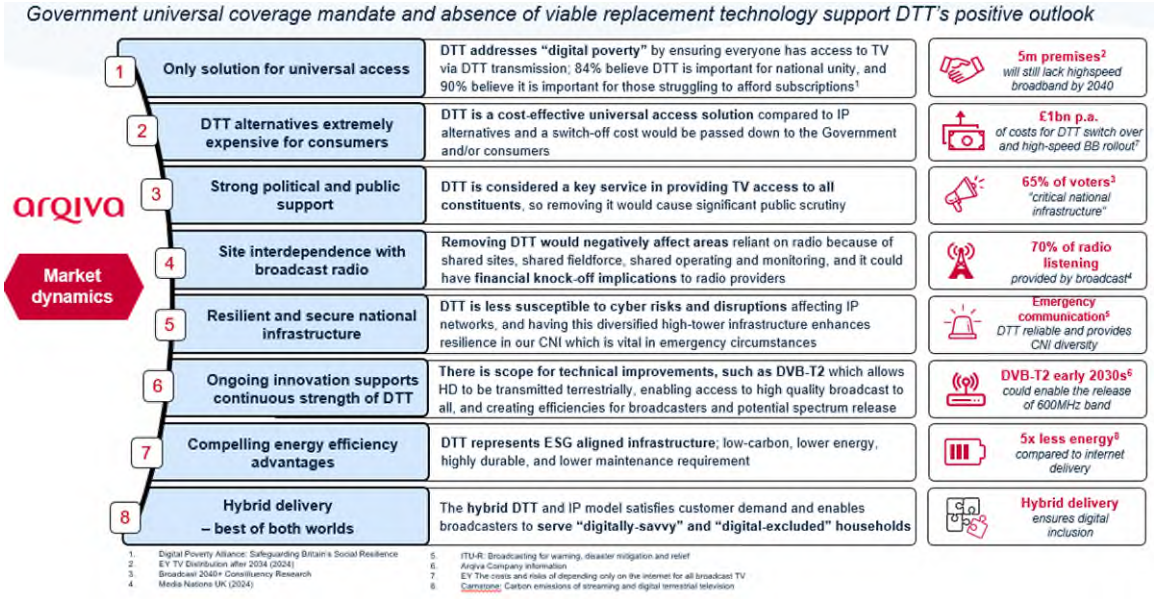
As part of its Radio Capacity business, the group operates the license for two of the two national commercial digital radio multiplexes Sound Digital and Digital One. Digital One is 100% owned by Arqiva while Sound Digital is owned via Joint Venture of which the group owns 40%. Both national DAB multiplexes remain fully occupied with 80% of D1 capacity contracted until 2035.

*Structurally stable underlying dynamics in the Group's media and broadcast business, underpinned by a range of political, social and regulatory factors*

The UK TV market is large and growing, with an estimated 97% of households owning one TV compared to 93% in 2013 (Source: Statista). Within this market, the Group serves the FTA segment via the DTT platform. DTT, through Freeview and other TV services which include a DTT tuner, remains the most used TV platform for the consumption of linear and live content in television homes across the UK. Broadcast live TV viewing for those aged 65 and over averaged over 250 minutes per day in 2024 (Source: Enders Analysis). The UK DTT platform is supported by a number of important favourable structural drivers, including the cultural role it plays in delivering live TV to viewers and its high relevance to broadcasters and advertisers given the platform's wide reach and strong political support (FTA viewing is popular amongst the key voting demographics), as well as the difficulty of replicating coverage and access by other means. Commercially, DTT remains a significant contributor to UK's TV advertising market of c.£5 billion per annum and is an indispensable distribution medium for broadcasters relying on advertising as a revenue stream including, amongst others, ITV, Channel 4, Warner Bros Discovery and UKTV. The Group has the most efficient and only platform in the UK capable of enabling the PSBs to meet their 98.5% universal coverage obligations imposed by Ofcom, making its infrastructure "mission critical" to the PSBs. TV shows on PSB stations continue to attract high viewing in the UK. In the week commencing 10 March 2025, all 50 of the UK's 50 most watched programmes were on PSB channels (Source: Thinkbox).

The Group believes there is also presently no credible replacement technology to DTT which would rival DTT's ability to provide universal coverage, its reach and installed base, and its ability to deliver content free at the point of access. Approximately 50% of all UK TV set viewing is predicted to remain via broadcast by 2040 with live DTT predicted to account for 16 billion hours of TV viewing time in DTT households by 2039, down from 21 billion hours in 2024 (Source: Enders Analysis)[1]. The role of DTT is not expected to change in the medium term with licences for five of the six national DTT licences extended until 2034 and a UK Government commitment until - at least - that point.

[1] "Broadcast transition to IP – Accelerating, but a long way to go on DTT – 1 October 2024". Enders Analysis' projections are based on there being no managed transition to IP in DTT homes, satellite continuing and there being similar numbers of broadcast linear channels on both platforms going forwards.




The DCMS is currently undertaking a review of the long-term future of DTT as part of its Future of TV distribution stakeholder forum[1]. This is a ministerial-led process with aim of driving forward policy. The Group is actively involved in the forum and submitting its views and perspective. The DCMS forum builds on the prior work by Ofcom in its Future of TV distribution report published in May 2024[2].

In recent years, the UK has seen the emergence of alternative viewing platforms, and these platforms can be complementary with DTT and traditional pay platforms which are broadcast through Satellite or Cable. Hybrid platforms leverage the reach and cost effectiveness of DTT to deliver the FTA services with interactive services typical of IP, such as catch-up and on-demand (e.g. via the BBC iPlayer). The increase in "pay lite" services (e.g. Netflix, Amazon, Disney+) gives consumers further optionality to combine DTT with a cheaper OTT offering. This trend also supports the Managed Media Services segment within the Media and Broadcast division, which has been providing IP streams and video-on-demand ("**VoD**") processing services since 2015 and is currently undergoing an expansion of the Group's capabilities, to support a recently secured global media contract. The Group has invested in cloud-based delivery services, see Business Strategies section for further detail.

The SUN market is also scaled and structurally stable evidenced by long term government policy, long term contracts, multi-year regulatory windows, all of which are applicable to both the water and energy markets.

Smart metering is viewed positively by the government, regulators and consumers alike. Smart water metering supports the prevention of waste and leakage, transparency of usage resulting in up to 17% reduction in personal water consumption[3]. £2.5bn of funding has been approved for smart metering as part of a wider £104bn overall investment plan in water infrastructure with 10m smart water meters to be rolled out between 2025 and 2030 (AMP8 - Ofwat).

*Well placed to continue winning market share in large and growing managed media and smart meter markets, leveraging its unique and long-life asset base*

The Group's Managed Media Services is a leading operator in the fragmented satellite and media market in the UK. The Group owns a significant asset base with more than 80 uplink dishes providing access to

1 Future of TV Distribution Stakeholder Forum – terms of reference – GOV.UK

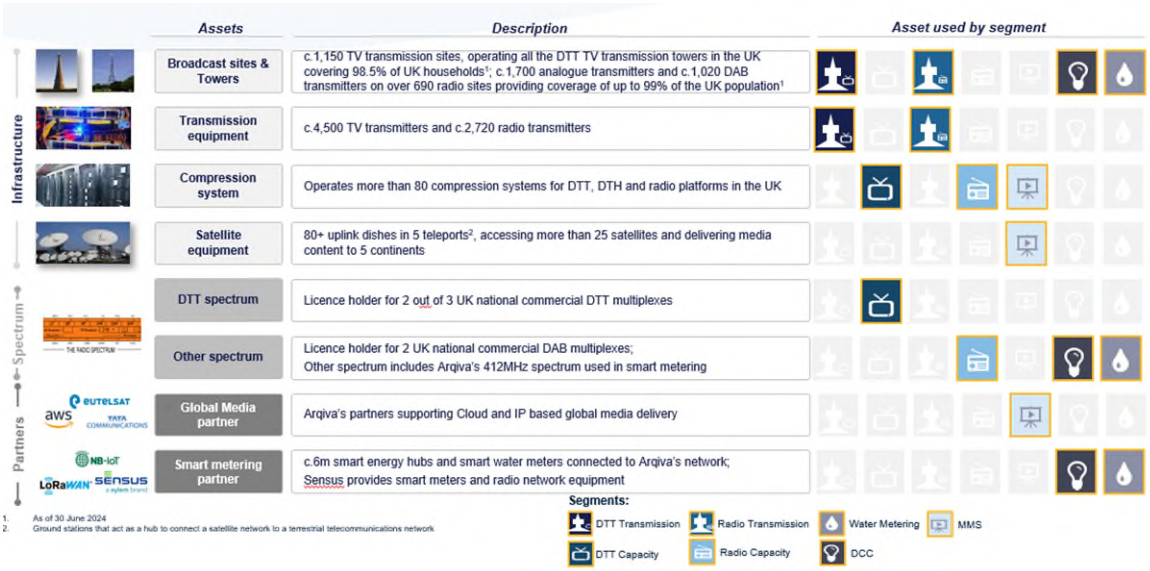
2 Future of TV Distribution – Early market report to Government (Ofcom, 9 May 2024).

3 National Infrastructure Commission.

more than 25 satellites owned by third parties and five teleports delivering media content to five continents, supported by connectivity access to over 300 key media and broadcast content processing locations around the globe through its own optical and IP enabled networks in UK and leased access to a third-party global fibre network. The Group's growing portfolio of IP and cloud-based products and solutions support its existing customers in their transition to a hybrid distribution model and positions the Group to expand into new international markets. New products include Arqplex (Headend solution), Arqade (global cloud-based content interchange), Arqedge (Streaming Optimisation), Arqads (Smart advertising on DTT and UK DTH platforms), cloud-based playout and Audio Streaming and podcasting solutions. Based on analysis by Arqiva's management, the total addressable market for global markets in-scope was £600 million in the UK and £1,001 million in the international markets.

The Group has also positioned itself as a market leader in the UK for smart meter networks. It is one of only three communication service providers for smart energy meter connectivity in the UK and is a leading provider for smart water meter connectivity. The Group believes it has unique capabilities in water metering, including its long-range radio solution, which provides a very high performing solution for water smart metering (consistently delivering high metering reads enabling compliance with Ofwat performance standards). The Group has secured 2.9 million meters out of 5.5 million (i.e. c.53% share) of the AMP8 contracts awarded to date and the management estimates that the Group secured 80% share of AMP7 smart meter contracts awarded. The Group also offers other solutions forming a comprehensive set of options for Water companies.

The Group has an unrivalled Media and Broadcast asset base, which the Group believes is not economically feasible to replicate including Broadcasting sites & Towers, Transmission equipment, Compression systems, Satellite equipment. As well as DTT and other spectrum. DTT & Radio sites are used for multiple purposes including for the managed media services and smart utility networks. Below table provides an overview of the multiple applications of the different asset classes.




*Stable revenue underpinned by long-term inflation-linked contracts*

The Group has significant revenue visibility with an Orderbook of £2.9 billion as of 30 June 2024 (calculated on a real terms basis with no assumptions for contractual inflation)[1], representing 4.5 times coverage of revenues for the year ended 30 June 2024. The Orderbook is underpinned by the Group's established

[1] £3.4bn total estimated ABPL orderbook as at April 2025 (for contracts beyond 1 July 2025) expressed on a nominal basis, representing 5.3x multiple of FY24 Arqiva Broadcast Parent Limited revenue.

relationships with its high-quality customers. Long-term contracts provide the Group with a high degree of visibility over a sizeable portion of its expected annual revenue at the commencement of each fiscal year. Approximately 73% of the Group's actual revenues realised in the year ended 30 June 2024 were already contracted as of 30 June 2023.

The Group has a diverse, blue-chip customer base across all business functions, including all the UK's PSBs (BBC, ITV, Channel 4, Channel 5), and major international broadcasters (e.g. Warner Bros Discovery, Paramount, Multichoice, Sky, DAZN), major radio groups (BBC, Global Radio, Bauer Media), major smart metering customers (the DCC, Thames Water, Anglian Water, United Utilities, Affinity Water, Portsmouth Water) and long-term contracts for managed communications services to electricity and gas distribution networks including SGN.

These established long-term relationships demonstrate the importance of the Group's assets and infrastructure to its customers. Certainty over contract renewals is supported by limited viable alternatives, as well as the 'mission critical' nature of the services that the Group provides, leading to significant switching costs and operational risks for customers.

Within the Media and Broadcast business function, DTT transmission contracts are typically over 20 years in original duration with residual durations of 5-10 years as of 30 June 2024. While c.67% of overall contracted value is inflation linked, the Group's DTT transmission contracts benefit from additional protection from power inflation in form of straight pass through of direct power costs and otherwise set to deliver a stable rate of return relative to the underlying asset base. The PSBs have signed long-term agreements with the Group for DTT broadcast, given the Group's position as the only provider capable of meeting PSB coverage obligations and the PSB and DTT licences. As a result of these features of the contractual terms the Group benefits from a degree of long-term revenue visibility.

DTT Capacity contracts are typically two to five years in duration. Radio contracts within the Media and Broadcast business function are typically eight to 12 years in duration and are often inflation-linked. In addition, National DAB Radio services are supply constrained due to limited number of multiplexes (two), thus providing further stability to customer longevity on those platforms. Both D1 and the JV Sound Digital Limited are at capacity with 80% of that capacity on D1 contracted until 2035. In Managed Media Services, contracts are typically two to five years in duration, however come with lower capex intensity. Within SUN business function, smart metering contracts are typically between 15 – 20 years in duration, spanning initial deployment and subsequent operation, and inflation-linked.

| Established relationships with blue-chip customers | | | |
|---|---|---|---|
| **Business Segments** | **Customers** | **Avg. Contract Length[1]** | **Inflation Linkage** |
| **DTT Transmission** | BBC, ITV, Channel 4 | 20+ years | ✓ |
| **DTT Capacity** | Warner Bros. Discovery, Sky, UKTV, Channel 4, Narrative Entertainment | 2-5 years | Partial |

| | | | |
|---|---|---|---|
| **Radio Transmission & Capacity** | BBC, BAUER MEDIA GROUP, global | 8-12 years | ✓ |
| **MMS** | NBCUNIVERSAL, S4C, HEARST, WARNER BROS. DISCOVERY, itv | 2–5 years | Partial |
| **Smart Utilities Networks** | Data Communications Company, love every drop anglian water, Thames Water, United Utilities | 15-20 years | ✓ |

⬚ – Public Service Broadcasters

✓ *Tick indicates inflation linkage is a typical feature of contracts in this division*

*High EBITDA margins and moderate capex requirements drive sustainable cashflows and strong cash conversion*

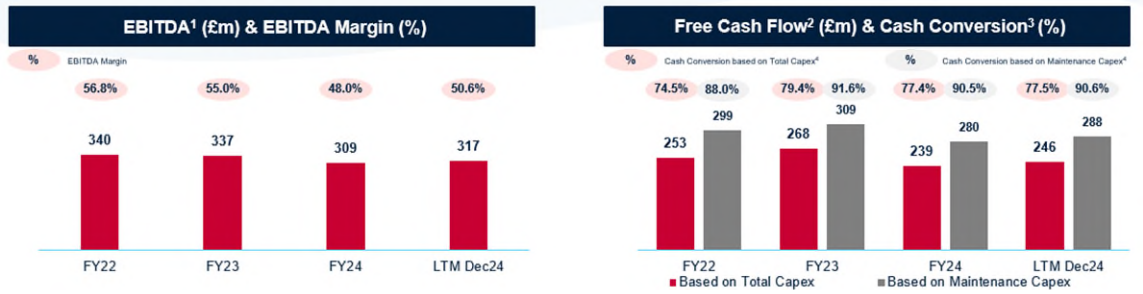
The Group operates a high EBITDA margin business of c. 50% and can convert its stable contracted revenues into cash, achieving sustained cash flow conversion throughout 2022 to 2024 of c. 75% or above, despite encountering spikes in power costs and increased inflation linked accretion payments, combined with a peak in its investment cycle over the same period.

The major expenditure requirements relating to the roll out of projects such as smart metering and the current phase of DAB roll-out projects are completed, significantly enhancing cash conversation. The Group also anticipates investment for the Sustainability Programme which would see the Group reaching its Net Zero target by 2040, with investment levels reducing afterwards.

The majority of the capital expenditures for the Group's smart metering contracts with the DCC have been completed, as the networks build was completed in 2020. In addition, the commercial terms of these contracts mostly allow for capital expenditures to be recovered when delivering change required by the DCC, and these change request payments commonly include pre-payment against delivery milestones.

In the water segment, growth capital investment will continue for the AMP8 (2025-2030) period, while the build and roll out of the new water contracts are completed, at which point capital investment is expected to decline.

All major capital expenditure programmes are directly linked to contracts in place, keeping speculative capital expenditure to a minimum. The Group has achieved tight control over its maintenance capital expenditure, contributing to Cash Conversion on an EBITDA less maintenance capital expenditure basis of approximately 90% over recent years, and 75% or higher on an EBITDA less maintenance and growth capital expenditure basis (see chart below).




The Group's underlying business and long-term nature of its contracts as well as its cash earnings track record is evidenced by the Group's investment grade rating at the senior level.

In 2023, the Group completed a c. £100 million 4-year company-wide programme, aiming at replacing and upgrading all of the Group's core IT platforms and establishing new processes across the business to deliver efficiencies using the new toolsets. The Group is currently in the process of completing a restructure of the Technology function. The Technology restructure has involved establishing a new technology leadership function, recruiting industry SMEs to build new technology capabilities. This includes new data and insight function, revised architecture function, combining software and physical engineering functions and repositioning product function from being technology led to customer and product led. Ways of working have also evolved, reconfigurating delivery teams from legacy programme management following linear waterfall project management methodologies to establishing a new enablement function, arranged around multi-function product focused delivery teams, adopting agile delivery methodologies. Part of the restructure includes a rebalance of technical capability, enhancing software engineering and cloud-based delivery. The Group believes this programme, aimed at achieving efficiencies and enhancing new product development capability, will help support margins against the existing macroeconomic backdrop and continue to result in improvements in the efficiency of Group operations and further headcount efficiencies.

*Experienced management team and workforce partnered with a supportive shareholder base comprised of key experienced infrastructure players*

The Junior Group is managed by a highly experienced senior management team with a breadth of Telecoms and Media experience including tenures at BT, Cable & Wireless, Vodafone, Virgin Media O2, ICG, ITV, The Walt Disney Company, Yorkshire Electricity and DAZN. The Junior Group's divisional heads have an average of 30 years' industry experience and a proven track record in their respective areas. The Junior Group also benefits from a highly talented workforce with approximately 675 skilled individuals in the Engineering and IT Job Families. Further, management have brought significant operating experience to the Junior Group, focusing on driving growth and margin improvement through transformation programmes focusing on efficiency and most recently deploying a new technology and product delivery model (Tech24).

The Group's shareholder base includes support from Macquarie Asset Management, InfraRed (D9 investment manager) Communications & Digital infrastructure - InfraRed Capital Partners and IFM Investors. All have deep experience of managing infrastructure assets and portfolios, providing direct sector expertise to the Board through their appointed shareholder representatives.

*Performance against financial covenants*

The Borrower has covenanted to provide certain publicly available information with relation to its performance against financial covenants. In its most recent Compliance Certificate dated 25 February 2025, the Borrower reported being compliant with the relevant financial covenants in the Common Terms Agreement. Please see further details in the Compliance Certificate dated 25 February 2025 available on the Borrower's website at https://www.arqiva.com/about/financial-reporting/credit-investors/. This information on this website does not form part of this Offering Memorandum.

***Business strategies***

The Group's strategy, which is also referred to as Vision 2031, was launched in 2020 following the mobile towers business sale. Vision 2031 sought to build upon the foundations of the business areas that existed at the time, whilst seeking other areas to which the Group could apply its resources and capabilities.

The key components of the Group's strategy are as follows:

*Media and Broadcast – Leading provider of UK TV and radio broadcast and transition global media to cloud solutions*

The Group's DTT platform and radio networks are the UK's leading platforms for delivery of TV and radio in the UK. The Group works closely with customers, industry bodies, regulators and Government which influence the strategy, product development, licensing arrangement and policy perspective of the networks. The Group's strategy is to reinforce DTT's long-term position as one of the most popular TV platforms in the UK by continuing to support the development of the hybrid DTT/IPTV platform (which can be accessed through DTT sets capable of connecting to the internet or through a set top box), which is expanding the range of catch-up services available as well as serving the needs of a pay-lite audience base. The Group is actively engaging with Government and policy makers to push for longer-term certainty and support for DTT, including through engagement with the current DCMS ministerial-led TV Distribution forum and through the Group's role within the Broadast2040+ coalition, a collection of over 30 organisations including Digital Poverty Alliance, Age UK, Silver Voices and the Voice of the Listener and Viewer, with an interest in seeing very long-term policy support for DTT.

The Group's radio networks are used by approximately 35 million adults each week (broadcast platforms deliver around 70% of overall radio listening) (Source: RAJAR). Where the Group is the licensed DAB multiplex operator, the Group intends to continue to assess options to expand the coverage of its networks as well as the range of channels available to give listeners the best possible DAB experience. The Group intends to support its customers and the industry by continuing to develop digital DAB radio as an attractive medium for listeners and planning for the expected eventual phase-out of analogue radio, rolling out DAB to fill the remaining coverage gaps, and positioning DAB as the default network for future broadcast services. The Group expects that it would be able to reduce its costs following any eventual Digital Radio Switchover ("DRS"), given that DAB transmission equipment is more reliable than analogue and will require fewer maintenance visits, and that DAB transmission also uses less power than analogue.

The Group plans to continue to improve operational efficiency and service excellence within the Managed Media Services segment and intends to take advantage of international growth opportunities served by its UK infrastructure, entrenched relationships with UK and global media customers and virtualised capabilities. The Group aims to help broadcasters and rightsholders navigate and exploit the trends underlying the video market, including "hybrid" consumer behaviour, increasing operational complexity and the need for operational and commercial flexibility, by continuing to invest in solutions for content acquisition, processing, and distribution (including managed IP and OTT services). The Group has expanded its global media management services and distribution capabilities through the launch of new IP and cloud-based products including Arqplex (Headend solution), Arqade (global cloud-based content interchange), Arqedge (Streaming Optimisation), Arqads (Smart advertising on DTT and UK DTH platforms), cloud-based playout and Audio Streaming and podcasting solutions. The Group's expertise as a managed service provider, developed over many years of operating and managing transmission and multiplexing platforms, strongly position it to differentiate its global media service offering with a managed service wrap. The Group consistently continues to focus on providing high levels of operational efficiency and service excellence.

*SUN – UK's leading smart utilities platform*

In SUN, the Group has plans to leverage its existing and expanding capabilities in smart metering. The Group has a long-term contract with the DCC and is engaged in discussions to agree an extension to this service. In the Water segment, the focus is on leveraging the Group's experience and broad solution offering to capture share of contracts for the next regulatory cycle and the regulatory cycles beyond.

The Group's solution capability has expanded to include LoRaWAN technology, being used to support smart meter solutions for Affinity Water and NB-IoT technology, which is offered as an "in fill" capability for smart meter programmes where it is not appropriate to deploy new network. The Group's flagship solution for smart metering continues to be its FlexNet solution which leverages its private spectrum and consistently outperforms the Ofwat market thresholds for meter reads. The Group is also increasingly focused on layering services onto and around the smart meter solutions it is delivering, for example United Utilities have awarded us a contract that includes the Group managing the installation programme on their behalf.

*Developing new Media and Broadcast and SUN products*

The need to deliver content across multiple networks – from Digital Terrestrial Television (DTT), Mobile and Broadband – to multiple devices, running multiple technologies and resolutions is creating more complex platforms than ever before. Media and Broadcast is diversifying its services by directly tackling the challenges faced by broadcasters, content owners and platform operators by investing in cloud and IP technologies to provide new services to support their global distribution strategies, reducing the complexity and cost of managing content delivery. Arqade is a cloud-based self-service content exchange which addresses this opportunity, enabling content owners, channels, and sports rights owners to distribute their content widely in a cost-efficient manner. Pay TV platform owners globally are seeing opportunities in aggregating broadcast channels and OTT streaming services on their platforms, this requires a service which helps provide necessary encoding and compression for both linear channels and OTT. Media and Broadcast is well placed to address this, with Arqplex adding a cloud-based headend as a service, in addition to on-prem capability, to new TV distribution platforms in global geographies. The Group has also developed Arqads, a product which enables smart advertising to be delivered on both DTH and DTT channels, enabling broadcast customers to open new revenue streams and competing for digital advertising budgets. The Group has also recently launched a new Streaming Optimisation product, Arqedge, leveraging peer-to-peer networks to offload traffic from Content Delivery Networks (CDNs) in response to customers' need to deliver significant cost savings whilst operating two businesses: Linear and OTT. Following the launch of Arqedge, the Group announced a partnership with System73 in 2024 to deliver CDN optimisation services. Additionally, the Radio business has recently launched a new audio streaming and podcast service to help broadcasters reach their global online audiences more effectively.

In the Utilities segment, UK utility companies are needing to respond to increased levels of regulatory, legislative and operational scrutiny, alongside heightened public pressure and concern. In the Water segment, alongside smart metering, the Group is focused on adjacent solution offerings, including connected sensors necessary to operate efficient and compliant water and waste networks. It currently has a small number of sewer level monitors deployed and will shortly be running a proof of concept for chlorine sensors. As a provider of both smart metering and connected sensors, the Group expects to be collecting data from millions of connected devices presenting the opportunity to develop data and insights products of value to customers and industry stakeholders.

In the Energy segment, electricity and gas distribution network operators will need to invest in the digitisation of their networks to support greater operational control, connectivity resilience and reduce overall operational costs. These and other drivers are reflected in the forthcoming RIIO 3 settlement for the electricity distributors in 2028. Further, the PSTN switch-off and the sunsetting of 2G and 3G services from the mobile operators will require these network operators to review their existing communications

solutions and providers. The Group's flagship customer in this segment, SGN, is working with the Group to roll out a new highly secure and resilient connectivity solution to many of its operational sites.

*Simplify and standardise business to optimise operational costs and efficiency*

The Group intends to maintain its focus on delivering comprehensive cost transformation, building on its progress since the sale of the Telecoms business in 2020 and driving efficiencies and operational excellence across the organisation. The cost savings programme is largely underpinned by detailed execution programmes and headcount efficiencies are expected to be realised as a part of increased organisational capability in applied strategic and operational workforce planning, focused organisational design review and further modernisation and digitisation of the workplace which has already seen a number of key corporate and operational systems moved into the cloud. Delivery of savings is overseen by the value management office of the "enablement delivery" team within the Technology function.

In addition, the Group may from time to time undertake disposals of assets in line with its strategy to exit sub-scale businesses and focus on core offerings.

*Maintain a stable long term capital structure*

The Group has deleveraged significantly since 2012. Senior Historic Net Debt to EBITDA Ratio has been reduced from 5.6x to 3.1x between 31 December 2012 and 31 December 2024, and the Historic Net Debt to EBITDA Ratio has been reduced from 7.0x to 4.4x over the same period. Considerable further deleveraging is expected by 2030 under the current structure, enabled by contracted amortisation at the Senior Financing level. This reduction in leverage reflects the decision by shareholders to prioritise re investing in the Group over making distributions and significant deleveraging the Group has been undertaking after disposing of its Telecoms business. For example, the Group has successfully completed several major capital programmes over the past few years, including smart metering and DAB roll out, which are now generating significant recurring cashflows. Shareholders have not taken any distributions over this period. Once the new networks have been built, the level of capital expenditure investment is expected to fall over the coming years and shareholders may consider regular distributions consistent with maintaining a stable long-term capital structure and investment grade senior debt ratings.

### *History and development*

The existing Group was formed following the acquisition of NTL Broadcast by Macquarie Communications Infrastructure Group ("**MCG**") in January 2005 and its merger with National Grid Wireless ("**NGW**") in April 2007. The Group's origins can be traced to the transmission functions of the BBC, which was established in 1922, and the Independent Television Authority, which was established in 1954 (later the Independent Broadcasting Authority ("IBA")). In 1991 the engineering division of the IBA entered the private sector as National Transcommunications Ltd ("**NTL**"), which after MCG's acquisition was rebranded as Arqiva. In 1997, the home broadcast transmission division of the BBC was acquired by Castle Transmission International, which was in turn acquired in 2004 by National Grid Transco, later named NGW, and which was acquired by the Group in April 2007. The Group's significant acquisitions include Inmedia Communications Ltd in 2005 and BT's Satellite Services businesses in 2007. The Group has also disposed of significant non-core and subscale businesses, including the 2015 sales of its Secure Solutions assets and its payphone assets/business (NWP Street Limited), the 2016 sale of the Group's Wi-Fi business to Virgin Media and the 2020 sale of the Group's Telecoms tower site share business to Cellnex.

The Group, through its predecessors, has been a provider of FTA television and radio transmission in the UK since the inception of broadcasting in the UK. For example, the Group's predecessors broadcast the world's first national radio service in 1922 and carried the BBC's first television broadcast in 1936.

Between 2007 and 2008, the Group signed contracts with the national TV broadcasters and DTT multiplex operators to carry out the Government's digital switchover programme. The digital switchover programme

consisted of the nationwide replacement of existing analogue and low-power DTT transmitters with high-power DTT equipment. The digital switchover process commenced in 2007 and was completed on schedule and under budget in October 2012. Following the completion of the digital switchover, DTT now reaches 98.5% of the population.

The Group entered a 15-year contract to provide a smart metering network for gas and electricity providers in 2013 and won contracts to provide smart water metering for Thames Water and Anglian Water in 2015 and 2016, respectively. Both contracts in the water sector have been extended—with Thames Water through to 2031 and Anglian until 2030—and are structured as framework agreements. For Thames Water, this includes the supply of a minimum of 575,000 meters between 2020 and 2025, which has been fulfilled, alongside the continuation of the network, headend, and managed services through to 2031. The framework allows Thames Water to continue procuring network services, meters, devices, and managed services at indexed rates until the end of the contract period. The Anglian contract is of a similar nature, although it does not include a committed device volume for the period to 2030; all prices for goods and services are similarly subject to indexation. The Group has recently added United Utilities, Affinity Water, and Portsmouth Water to its list of contracted water companies. In Energy, SGN has contracted for the Group's highly secure and resilient Managed Connectivity portfolio.

The Group signed a contract in 2011 for the provision of satellite connectivity to remote sites for UK Power Networks, followed by contracts in 2013 with Wales & West Utilities, Northern Gas Networks (NGN), and SGN. All remain in force today following multiple extensions. SGN's contract has since evolved into their Strategic Connectivity programme, as referenced above. UK Power Networks has also added a second type of satellite-only connectivity to support a broader group of lower-tier, lower-criticality sites. All distribution network operators (DNOs) across the gas, electricity, and water sectors operate a tiering system for their sites. Tier 1 locations—such as electricity and gas handover points from the National Grid or water and wastewater treatment plants—are relatively few but are critical to national infrastructure, with failures potentially impacting large numbers of homes and businesses. These sites typically benefit from diverse and resilient communications and power arrangements. Each successive tier—typically increasing tenfold in site numbers with each level—represents a drop in criticality, size, and complexity, with lower levels often lacking robust communications or monitoring. For example, UK Power Networks, which serves over 8.3 million homes and businesses, operates 484 Tier 1 (132kV) interconnect sites, nearly 15,000 secondary (33kV) transformers, and over 120,000 tertiary (240V) transformers. Of these, only 14% (around 17,000) are currently monitored a relatively high proportion driven by the complexity and demands of the London area. The satellite-only service supports UKPN in extending visibility and connectivity across these lower-tier, less-monitored assets. The Group was also awarded a significant engineering contract with Ofcom and the major UK broadcasters to clear the 700 MHz spectrum, known as the 700 MHz Clearance Programme, which released the expected spectrum for Ofcom to auction for use by the mobile operators.

### *Sale of the Telecommunications Towers Business*

In 2019, Arqiva Holdings Limited entered into a sale purchase agreement with Cellnex UK Limited ("**Cellnex**") to sell Arqiva Services Limited ("**ASL**") and its subsidiaries to Cellnex.

In 2020, the Group undertook a corporate reorganisation of the Senior Financing Group, by separating its telecommunications towers business ("**Tower Assets**") from its other businesses and consolidating the Tower Assets into an existing entity within the Senior Financing Group, ASL and certain subsidiaries of ASL ("**TowerCo**", now known as On Tower UK Limited).

The deal closed on 8 July 2020. The sales price was approximately £1.991 billion of which £1.779 billion was used to fund transaction costs and repay senior debt and swaps.

The remaining business ("**NetworkCo**") consists of the media networks business which incorporates the Terrestrial Broadcast TV and Radio, Digital Platforms, Satellite products, as well as the Group's Smart Utilities business.

Telecom Towers Master Site Share Agreement ("**MSSA**")

Arqiva Limited and TowerCo also entered into a master site share agreement on 1 July 2020 (the "**Telecom Towers MSSA**"), which governs the use by Arqiva Limited of sites that are "owned" (including leased) by TowerCo.

The Telecom Towers MSSA has an initial term of 30 years, starting from 1 July 2020. The Telecom Towers MSSA will automatically extend for a further period of 10 years after the expiry of the initial term, unless Arqiva Limited gives TowerCo six months' notice that it does not wish to extend.

Under the Telecom Towers MSSA, Arqiva Limited uses the sites (i.e. those listed in the site list referred to in the Telecom Towers MSSA from time to time) to install equipment for its broadcast services and/or SUN services. Arqiva Limited may request and undertake (or have TowerCo undertake on its behalf) works on a site which have been approved through the demand planning process, or which explicitly do not require approval by Arqiva Limited.

The parties also entered into a Special Customer Additional Obligations Agreement on 1 July 2020. It does not amend the terms of the Telecom Towers MSSA but instead creates additional rights and obligations for the parties to enable Arqiva Limited to comply with its contractual obligations to certain "NetworkCo Special Customers" (in this case, Arqiva Limited is NetworkCo). NetworkCo Special Customers are defined as: (i) Smart DCC Limited; and (ii) the BBC, in each case only for so long as: (a) they have equipment on Telecom Towers MSSA sites; or (b) Arqiva Limited provides services using equipment on a site.

Telecom Towers Portfolio Management Agreement ("**PMA**")

Arqiva Limited and TowerCo also entered into a portfolio management agreement on 1 July 2020 (the "**Telecom Towers PMA**"), which governs the use by TowerCo of sites that are "owned" (including leased) by Arqiva Limited.

The Telecom Towers PMA has an initial term of 30 years, starting from 1 July 2020. When the initial term ends, the Telecom Towers PMA will automatically extend for further consecutive periods of five years each, unless TowerCo gives Arqiva Limited six months' notice that it does not wish to extend.

Under the Telecom Towers PMA, TowerCo has the exclusive right to manage its existing and future customers (comprising UK mobile network operators and other electronic communications services providers) installed on the in-scope sites (i.e. those listed in the site list referred to in the Telecom Towers PMA from time to time), and to receive and retain all revenue from those customers.

The parties also entered into a Special Customer Additional Obligations Agreement on 1 July 2020. It does not amend the terms of the Telecom Towers PMA but instead creates additional rights and obligations for the parties to enable TowerCo to comply with its contractual obligations to certain "TowerCo Special Customers". In certain circumstances pertaining to the TowerCo Special Customers only, Arqiva Limited may be required to provide additional assistance including information sharing and audit.

### *Business Functions*

*Media and Broadcast Business Function*

The Group's Media and Broadcast business consists of the following segments:

- Transmission - providing terrestrial TV and radio transmission, multiplexing and distribution services. Operates as the sole UK national provider of end-to-end broadcast services for national television and radio through its national infrastructure of sites and transmitters.
- Capacity - provides access to the DTT and DAB radio platforms for channel broadcasters.
- Managed Media Services (MMS)
    - Transport, Processing and Delivery products and solutions for international broadcasters and content owners utilising satellite, point-to- point fibre, IP, and cloud technologies.
    - Also includes UK satellite direct-to-home (DTH) for access to the Sky Satellite platform, provision of compression /multiplex services, up linking content from its owned teleport infrastructure to satellites and providing satellite transponder capacity. The Group is the largest reseller of satellite capacity in the UK. The Group features in the top 10 in the World Teleport Association Independent Top 10 teleport operators list.

*DTT and Radio Transmission*

Within the Media and Broadcast division, terrestrial TV and radio transmission services are offered in two parts, Network Access ("NA") and Managed Transmission Services ("MTS"). MTS is the managed transmission service the Group offers to its customers to design, install, maintain and monitor the transmitter equipment. NA is the arrangement whereby the Group provides access to its network of broadcast sites (such as building access including towers, combiners, feeders and antennas, power resources, and the opportunity to install their own transmitter equipment, if required). Together these services allow delivery of broadcast media content to end consumers over the air.

The Group's transmission services are regulated by Ofcom, are subject to the Undertakings given to the Competition Commission (now its successor, the Competition and Markets Authority ("CMA")) and are overseen by the Office of the Adjudicator – Broadcast Transmission Services ("OTA-BTS"), appointed by and reporting to Ofcom. Under the Reference Offer framework, pricing for transmission services can be reviewed by the OTA-BTS. See "*Regulation of the Communications Industry in the United Kingdom—Competition Regulation*". The Group's broadcast transmission services contracts are long-term, with third-party television broadcast transmission contracts currently in place extending to between 2030 and 2034, while radio contracts typically have initial contract terms of eight to 12 years, some with customer break clauses. The Group's Media and Broadcast contracts usually pass through the costs of certain expenses such as rent, rates and electricity directly to customers and are linked to inflation, as well as setting a guaranteed return on capital from the asset base. The Group also provides transmission services to itself (in its capacity as a Multiplex operator), and significant intercompany revenue is derived from the DTT Capacity business.

In the years ended 30 June 2023 and June 2024, revenue for the regulated business within the Media and Broadcast division was £265.3 million, and £283.1 million, respectively, which represented 57.4% and 58.8%, respectively, of segment revenue of £462.4 million and £481.3 million for the Media and Broadcast reporting segment for the corresponding periods.

*DTT and DAB Radio capacity*

The Group's DTT Capacity business owns two of the three commercial national Multiplex licences used for DTT and accessed by viewers through the Freeview service, which is subscription-free (other than a TV licence fee) and the leading UK TV platform, as well as other DTT-reliant platforms, such as Freely, BT TV, TalkTalk TV and YouView. The Group's Multiplex licences provide the Group access to spectrum and the Group sells individual channel capacity to commercial broadcasters. Revenue from the Media and Broadcast business function was £241.4 million, and £237.9 million, which represented 74.5%, and 77.9% of the Group's total revenue for the six-month period ended 31 December 2023 and 2024.

The Group's Radio Capacity business wholly owns and operates one of the two commercial national DAB Multiplexes, Digital One ("**D1**"). D1 currently provides 24 channels, covers 92% of the UK population and currently carries 25 stations based on mutually agreed commercial terms. The second commercial national DAB Multiplex is owned by Sound Digital ("**SDL**"), a consortium of the Group, Bauer Media and Wireless Group (part of News International). SDL provides 30 channels and provides coverage to 83% of the UK population and carries 19 stations. The consortium operates this DAB Multiplex through a joint venture, under which each partner has rights to capacity and has committed to capacity in proportion to its shareholding. The Group has a 40% share in SDL and is the sales agent for all capacity on SDL.

### *Media and Broadcast*

*Television*

The Group provides critical national infrastructure for DTT, the leading TV platform in the UK, with installed user base of approximately 3.9 million households which rely on DTT as their primary delivery mechanism for television broadcast services, with a further 17.9 million 'hybrid' households supplementing traditional TV viewing with on-demand services over broadband (Source: Ofcom).

(i) Network access services

The Group provides NA services to Multiplex operators (including to the Group in its capacity as Multiplex Operator through its DTT Capacity business) through a nationwide portfolio of sites, consisting of physical infrastructure, support such as maintenance and on-site entry to facilities. Physical infrastructure owned by the Group comprises the antennas, masts and sites, power sources, feeders, combiners, and remote monitoring devices necessary to broadcast terrestrial signals. It also includes the buildings for utilities and maintenance. As of 30 June 2024, the Group operated c.1,150 television transmission sites and masts throughout the UK. See *"—Properties—Communications Sites*" for a description of the Group's sites.

(ii) Managed transmission services

The Group offers MTS to Multiplex operators (including to the Group in its capacity as Multiplex Operator through its DTT Capacity business), which allows the Multiplex operators to compile, sequence and broadcast the transmission signal from their customers, DTT broadcasters. Through its MTS offering, the Group facilitates use of the infrastructure provided through NA by managing dedicated transmitter equipment and infrastructure and provides an end-to-end service and administers content distribution for DTT. This consists of collecting television channel signals from broadcasters' studios, distributing them to c.1,150 Arqiva transmitter sites across the country, ensuring the transmission signals can be received by television sets nationwide.

(iii) Regulatory framework and contracting

As the sole provider of DTT broadcast transmission services in the UK, the Group's activities are regulated by Ofcom, subject to the Undertakings given to the Competition Commission (now its successor, the CMA) and overseen by the OTA-BTS, appointed by and reporting to Ofcom. The Undertakings and procedures established by Ofcom require the Group to publish Reference Offers for NA and MTS (a "NA Reference Offer" and "Transmission Services Reference Offer", respectively) setting out terms for wholesale access to its network infrastructure and management of the broadcast of the transmission signal whenever any relevant new spectrum becomes available for broadcast purposes or when an existing contract for transmission services is renewed. In view of its position of significant market

power with respect to NA, the Weighted Average Cost of Capital ("**WACC**") the Group is permitted to make on NA contracts is set by the OTA-BTS.

Under the NA Reference Offer pricing framework, the Group is allowed to make a fixed rate of return of 7.71% WACC (real pre-tax) on a pre-2015 regulated asset base and 7.5% WACC (real pre-tax) on post-2015 new capital assets. The Group is also permitted to make a regulated return on certain capital expenditure projects which will result in higher revenue. In the year ended 30 June 2015, OTA-BTS reviewed the Group's regulatory pricing framework, resulting in a minor adjustment to the regulated return allowed on new capital investments. In its decision, OTA-BTS indicated that the revised return allowed on new capital investments would remain valid until at least 2025, but that it retains the ability to conduct an intermediate review prior to such date. In the review of the budget for the OTA-BTS published in March 2025 (ota-bts.org.uk) the OTA-BTS indicated that the Adjudicator will make a statement on the priorities for the reviews in the next 12 months within the next quarterly report from OTA-BTS. The relevant circumstances or criteria which may potentially prompt an intermediate review of the return allowed on new capital investments are not defined by OTA-BTS, but the Group believes that they would include a material change in circumstances relating to the Group's markets or its financial position, such as a change in the broadcast transmission market, a significant alteration to the Group's capital structure or a deviation in the pricing methodology used by OTA-BTS in connection with the WACC.

Unlike the NA pricing framework, pricing for MTS services under the Transmission Services Reference Offer framework is set in accordance with market prices. However, the Transmission Services Reference Offer framework requires the Group to provide MTS services upon reasonable request and upon terms which are fair, reasonable, and non-discriminatory. While another MTS provider could request a NA reference offer and install its transmitter equipment on the Group's sites to provide Transmission services to end customers, no such competitor is currently active in the UK market for the provision of DTT MTS.

The NA and Transmission Services Reference Offer framework permit the Group to pass through costs for elements such as rent, rates, electricity and operating costs and its transmission services contracts are inflation-linked.

The Group's current third-party television transmission contracts have expiry dates between 2030 and 2034. Unlike contracts for other public services such as utilities, there is no periodic regulatory review of DTT contracts which the Group believes leads to long-term revenue visibility. However, a review process with the OTA-BTS, based on the Group's Competition Commission undertakings, can be carried out by the OTA-BTS for new contract pricing. For further detail on the regulatory transmission services framework, see "*Regulation of the Communications Industry in the United Kingdom—Competition Regulation—The Undertakings*".

(iv) The Future of TV distribution forum

In November 2024, the DCMS launched a forum to advise on the future of UK television. This is a Ministerial-led process with aim of driving forward policy. The Group is actively involved in the forum and submitting its views and perspective. The DCMS forum builds on the prior work by Ofcom in its Future of TV Distribution Report published in May 2024. In that document Ofcom set out options for the long-term future of DTT, which include investing in a more efficient DTT services, reducing DTT down to core services and moving towards DTT switch-off over the 2030s. The report called on Government to provide certainty. The DCMS forum is expected to last for at least the 2025 calendar year.

(v) Customers and contracts

Given that the Group is the exclusive provider of transmission services for DTT, its customers include all DTT Multiplex operators in the UK, including the Group's DTT Capacity business. The Group's commercial agreements cover the provision of both NA and MTS. Fees are generated by broadcasting a signal according to agreed criteria that meets a specified level of service availability as formalised in a service level agreement ("**SLA**"). Depending on the circumstances customers may have the right to receive service and other credits if the requisite service levels are not met. Persistent and material breaches of SLA requirements may give rise to termination rights. For the year ended 30 June 2024, the Group's top three DTT contracts were with the BBC, Digital 3&4 (a PSB DTT Multiplex operator owned by ITV and Channel 4) ("**D3&4**") and S4C Digital Networks (a commercial DTT Multiplex operator owned by ITV) ("SDN").

(vi) Competition

In the DTT business, the Group currently has 100% UK market share of NA and MTS, as well as sole ownership of its physical coverage network in the UK. Accordingly, the Group's DTT activities are regulated by Ofcom and the establishment of its market position was cleared (remaining subject to the Undertakings) by the Competition Commission (currently, the CMA) in 2008. As a result of the Group's market position, there are significant financial, infrastructural, contractual, regulatory, and reputational barriers facing any competitor. See "*Regulation of the Communications Industry in the United Kingdom—Ofcom—Significant Market Power*". An MTS provider could enter the market by requesting a NA Reference Offer and installing its equipment in the broadcast sites. However, all existing contracts run until 2030 and 2034, and any new competitor must be capable of providing specialist broadcast skills with a national maintenance field force and be able to win the contract renewals from the Group, which is the incumbent provider.

The Group's DTT platform faces competition from other platforms for delivery of television services, such as satellite, cable, IPTV and OTT, which provide alternative means of delivering content, which competes for the Group's customers and serves as an alternative platform for delivery of television services to which the Group's customers could switch. See "*Industry—The Television and Broadcast Industry in the UK*".

*Radio*

The Group benefits from its regulated position as the leading UK national provider of transmission services for radio broadcasting. The Group provides NA and MTS for nearly 100% of the analogue and DAB digital radio transmission market in the UK, serving the BBC and commercial radio broadcasters. The Group is also the service provider of the two national commercial digital radio multiplexes and held 25 of the UK's 58 local radio licences (including through joint ventures) as of 30 June 2024.

(i) Network access services

As with television, the Group provides NA services to analogue radio customers and Multiplex operators (including the Group in its capacity as Multiplex operator) through a nationwide portfolio of radio transmission sites, consisting of physical infrastructure, support such as maintenance and on-site entry to facilities. Physical infrastructure owned by the Group comprises the antennas, masts and sites, power sources, feeders, combiners, and remote monitoring devices necessary to broadcast radio signals. It also includes the buildings for utilities and maintenance. As of 30 June 2024, the Group operated approximately 1,700 analogue transmitters and c.1,020 DAB transmitters on over 690 radio sites, providing coverage of up to 99% of the UK population. See "*—Properties— Media and Broadcast*" for a description of the Group's radio sites.

(ii) Managed transmission services

The Group provides MTS to Multiplex operators and analogue broadcasters, allowing them to broadcast radio transmission signals through to the listener. There are three national DAB Multiplexes. The Group wholly owns and operates one of the two commercial national DAB Multiplexes, Digital One ("**D1**"). D1 currently provides 24 channels, covers 92% of the UK population and currently carries 25 stations based on mutually agreed commercial terms. The second commercial national DAB Multiplex is owned by Sound Digital ("**SDL**"), a consortium of the Group, Bauer Media and Wireless Group (part of News International). SDL provides 30 channels and provides coverage to 83% of the UK population and carries 19 stations. The consortium operates this DAB Multiplex through a joint venture, under which each partner has rights to capacity and has committed to capacity in proportion to its shareholding. The Group has a 40% share in SDL and is the sales agent for all capacity on SDL.

DCMS has enabled the process to allow both national commercial multiplex renewals until 2035. The Group submitted an application with Ofcom to secure the D1 renewal; it was renewed in July 2023 through 31 December 2035. The SDL application is expected to be submitted by Wireless Group on behalf of SDL before the relevant date – 12 months before the end of the current term in 2028.

The third national DAB Multiplex is owned and used exclusively by the BBC and currently provides 11 channels accessible to 97% of the UK population, and the Group provides MTS to the BBC for this DAB Multiplex. In addition to its national DAB Multiplexes, the Group owns 25 of the 58 local DAB Multiplexes in the UK (including through joint ventures), primarily in the South and Midlands regions, and the remaining local DAB Multiplexes utilise NA and MTS infrastructure owned by the Group. One local DAB multiplex operator has an MTS contract with a third-party provider. Some small local analogue radio customers (typically local charities or small commercial radio stations) choose to install their own equipment on the Group's sites and self-provide the MTS service in order to keep costs down or work with other small service providers, taking a risk with the availability of the service in the event the service goes off air.

(iii) Regulatory framework and contracting

As the Group is the leading provider of DAB and analogue radio infrastructure in the UK, the Group's radio broadcast activities are regulated by Ofcom, subject to the Undertakings given to the Competition Commission (now its successor, the CMA) and are overseen by the OTA-BTS, appointed by and reporting to Ofcom. The Undertakings and procedures established by Ofcom require the Group to publish NA and Transmission Services Reference Offers setting out terms for wholesale access to its network infrastructure and management of the broadcast of the transmission signal whenever any relevant new spectrum becomes available for broadcast purposes or when an existing contract for transmission services is renewed. In view of its position of significant market power with respect to NA, the Group's return on NA contracts is set by the OTA-BTS.

Under the NA Reference Offer pricing framework, the Group is allowed to make a fixed rate of return of 7.71%WACC (real pre-tax) on a pre-2015 regulated asset base used for NA services and 7.5% WACC (real pre-tax) on post-2015 new capital assets. The Group is permitted to make a regulated return on certain capital expenditure projects such as building out DAB coverage in advance of the expected DRS. See *"—Digital Radio Switchover*". In the year ended 30 June 2015, OTA-BTS reviewed the Group's regulatory pricing framework, resulting in a minor adjustment to the regulated return allowed on new capital investments.

In its decision, OTA-BTS indicated that the revised return allowed on new capital investments would remain valid, at least, until 2025, but that it retains the ability to conduct an intermediate review prior to such date. In the review of the budget for the OTA-BTS published in March 2025 (ota-bts.org.uk) the OTA-BTS indicated that the Adjudicator will make a statement on the priorities for the reviews in the next 12 months within the next quarterly report from OTA-BTS. The relevant circumstances or criteria which may potentially prompt an intermediate review of the return allowed on new capital investments are not defined by OTA-BTS, but the Group believes that they would include a material change in circumstances relating to the Group's markets or its financial position such as a change in the broadcast transmission market, a significant alteration to the Group's capital structure or a deviation in the pricing methodology used by OTA-BTS in connection with the WACC.

Pricing for MTS services under the Transmission Services Reference Offer framework is set in accordance with market prices. However, the Transmission Services Reference Offer framework requires the Group to provide Transmission Services upon reasonable request and upon terms which are fair, reasonable, and non-discriminatory.

The NA and Transmission Services Reference Offer framework permit the Group to pass through costs for elements such as rent, rates, electricity and operating costs and its transmission services contracts are inflation-linked.

Unlike contracts for other public services, such as utilities, there is no periodic regulatory review of radio contracts, which the Group believes leads to long-term revenue visibility. However, a review process with the OTA-BTS, based on the Group's Competition Commission undertakings, can be carried out by the OTA-BTS for new contract pricing. For further detail on the regulatory transmission services framework, see "*Regulation of the Communications Industry in the United Kingdom—Competition Regulation—The Undertakings*".

The Group's radio contracts extend to between 2026 and 2030, and some include provisions for price adjustments if additional DAB Multiplexes are licensed by Ofcom.

(iv) Customers and contracts

The Group's customers include the majority of radio broadcasters in the UK. The Group's transmission services contracts are with the Multiplex operators (including the Group in its capacity as Multiplex operator) for DAB and individual broadcasters for analogue radio. The Group's radio contracts, both analogue and DAB, typically have initial contract terms of eight to 12 years, some with break clauses. The Group's radio contracts are also inflation-linked. The Group's key contracts with BBC expire between 2025 and 2030, including the BBC New Radio Agreement for analogue radio services (expiring 31 December 2025), the BBC DAB Phases 1 and 4 contract (expiring 24 October 2030) and the BBC DAB Phase 2 contract (expiring 24 October 2030).

In addition to charging a recurring fee to radio broadcasters, the Group also charges radio stations for the cost of providing a link from the studio to transmission sites. The Group's analogue contracts that are subject to periodic renewal contain provisions that contemplate the possibility of analogue signals in the UK being switched off during the term of the contract. The top three radio contracts, with the BBC, Global Radio and Bauer, represented 81.4% of the Group's radio revenue, 20.9% of the Group's Media and Broadcast business function's revenue for the year ended 30 June 2024 and together account for approximately 90% of total radio listening time across the UK.

The Group's DAB multiplexes show high utilisation levels driven by strong market demand. As at 1st March 2025 National capacity is 100% utilised with very high demand when a channel becomes available with multiple bids, some above rate card pricing in recent auctions.

Approximately 73% of the Group's actual revenues realised in the year ended 30 June 2024 were already contracted as of 30 June 2023.

(v) Digital Radio and Audio Review

The Digital Radio and Audio Review was commissioned by the Government in February 2020 with the primary objective of assessing future trends in listening and to make recommendations on ways of strengthening the UK radio and audio sector. The Review was led by DCMS and undertaken in conjunction with a broad cross-section of industry stakeholders, Group played a role in this review contributing to and informing the report recommendations. The report was published in October 2021, one of the conclusions made in this report was that "Radio remains a strong, trusted medium in the UK delivering significant public value. 89% of the population tunes in every week, a figure which has remained remarkably consistent in the last decade. Traditional radio, including FM services, is valued by many listeners – particularly those who are older or vulnerable, drive older cars or live in areas with limited DAB or broadband coverage. On current trends, therefore, the Review's conclusion is that FM will be needed until at least 2030".

A closure of the AM platform is expected prior to 2030. However, the FM analogue radio platform is not expected to close before 2030 with its life expectancy into the 2030s and beyond. A further review of the sector is anticipated at some point with an expectation that it may report in 2026.

(vi) Competition

In the radio broadcast business, the Group has a leading market position and has been subject to competition and economic regulation since 2005. See "*Regulation of the Communications Industry in the United Kingdom—Competition Regulation—The Undertakings*".

The Group's radio platform faces competition from other forms of media and audio content, including IP listening services, such as Spotify, Deezer, Apple Music and Tidal. See "*Industry—The UK Radio Industry*".

*DTT Capacity*

Through its DTT Capacity business, the Group is also the UK market leader for the provision of access to the DTT platform for broadcast channels. The Group owns two of the three national commercial Multiplexes used for broadcasting to Freeview, the leading UK TV platform as well as other TV devices including a DTT tuner. A DTT Multiplex licence grants a company the right to manage certain spectrum frequencies over which it can broadcast combined digital transmission signals. These streams are organised for viewers through an electronic program guide channel number assignment that is coordinated by Everyone TV (a non-profit organisation that facilitates Freeview and Freely use and sets the strategy for DTT, owned by the BBC, ITV, Channel 4, and Channel 5).

As the Group is the sole UK provider of national terrestrial broadcast infrastructure necessary for DTT and the leading national provider of terrestrial broadcast infrastructure necessary for radio transmission in the UK and since the Group's DTT Capacity business is a customer of the Group's Media and Broadcast function, the Undertakings also require the Group to impose strict information barriers between the Media and Broadcast division and the DTT Capacity business, and subject the Group to regular audit. See "*Risk Factors—Risks relating to the Group's business and industry—The Group is subject to UK government*

*and other regulations that govern the way it conducts its businesses, and the effects of, or changes in, regulations and government policy could have a material adverse impact on the Group's business, financial condition and results of operations*".

(i) 700 MHz Clearance and World Radio Communication Conference

The DTT platform used spectrum in the 470–790 MHz bands. Following a November 2015 decision at the World Radiocommunication Conference, Ofcom decided to clear the 700 MHz band of spectrum and auction it for mobile data usage. Consequently, the Group's DTT Multiplexes that were currently utilising the 700 MHz spectrum range were reallocated to the 600 MHz band and below by 2020. This required realignment of the physical infrastructure of all DTT transmission, with associated capital expenditures. The Group contracted with the major broadcasters and Ofcom for the delivery of the programme on a cost-plus basis. The Group was responsible for the spectrum planning, network design, programme management, infrastructure changes, service continuity, structural work, asset replacement and retuning of broadcast transmitters to enable broadcasters to move into a lower frequency. The programme was completed successfully and funded by grants from Ofcom throughout. All 700 MHz clearance events scheduled have been completed successfully in line with the programme requirements with the remaining enabling works completed in 2024. See "*Regulation of the Communications Industry in the United Kingdom—Spectrum Regulation—Multiplex and WT Act Licences—700 MHz Clearance Project and Multiplex licences*".

Separately, the DTT's ongoing use of spectrum was discussed at a more recent international spectrum conference, World Radiocommunication Conference (WRC23). These international spectrum conferences take place every four years. At WRC23, a decision was taken to retain all the remaining spectrum used by DTT and for the topic not to be discussed in detail again until a future conference, WRC31, due to take place in 2031. At that conference, they will have the option of discussing the future use of the 600 MHz band.

(ii) Customers and contracts

As a DTT Multiplex owner and licence holder, the Group generates revenue by charging customers, who purchase capacity on its streams to broadcast on its DTT Multiplexes. Demand has been driven by a combination of limited DTT Multiplex capacity and there remains demand for channel capacity given the attractiveness of DTT to content providers and advertisers because of its broad geographic reach and levels of uptake in the UK. The Group has a strong track record of rapidly filling available capacity and expects there to be ongoing demand for DTT Multiplex capacity.

Customers using the Group's DTT Multiplex spectrum include commercial broadcasters such as Warner Bros Discovery, Sky, Channel 4, UKTV, all of which purchase digital channel space on the Group's DTT Multiplexes for fixed-term contracts typically of two to five year durations, sometimes with customer renewal options of similar terms. Some of the Group's Digital Platforms contracts are inflation-linked.

The top four customers for the DTT Capacity segment as of 30 June 2024 were Warner Bros Discovery, UKTV, Channel 4 and Sky, together representing approximately 67% of the revenue of the DTT Capacity function. Other customers of the Group's DTT Capacity business includes Rewind TV, PBS America and Sonlife. The Group considers that most of its DTT Capacity customers to have generally high levels of creditworthiness, reflecting independently strong credit ratings. Utilisation of the Group's Multiplexes at the time of this Offering Memorandum is 92% (31.3 of 34 24 hours streams occupied). Number of streams have increased as the Groups recently launched 2 additional streams through improvements in compression technology.

(iii) Competition

The DTT competitive landscape is highly consolidated in the UK. Apart from the Group, other owners of national spectrum for DTT broadcasting are the BBC, D3&4 and SDN. SDN owns the only other national commercial DTT Multiplex licence (as compared with the Group's four national licences) and is therefore the main commercial competitor to the Group's DTT Capacity business, although the other Multiplex operators (the BBC and D3&4) have allowed a small number of channels to purchase spare capacity on their Multiplexes. SDN's primary broadcast clients include Five, ITV, CBS AMC and QVC. On a local level, Comux UK owns and operates the multiplex for local TV channels but does provide limited channel capacity to other channels and covers less than 60% of the UK population and NiMux also provides services specifically in Northern Ireland.

***Managed Media Services***

The Group provides international managed services to the video and broadcast industry, where the Group believes there is an advantage to outsource to a scale provider that can leverage shared assets and expertise.

The Group's Managed Media Services business offers managed networks for international contribution and distribution, and UK DTH satellite services to blue-chip customers such as Al Jazeera, Warner Bros Discovery, Canal+ and Multichoice.

The Group is the primary independent owner of UK DTH uplink distribution services, provided via transponder capacity on the Eutelsat 28E, F and G and SES Astra 2 satellites, which are leased on a range of commercial terms (the majority of Group's 15 transponders are leased are on fixed terms through to 2025 (x9 transponders) and 2028 (x6 transponders). As at 1st March 2025 the Group has five teleports, more than 80 satellite uplink dishes, an international terrestrial fibre network, and approximately 1.0 GHz leased capacity on 25 global satellites globally serving all product areas. The Group's independent teleport network consists of five teleports in the UK, located at Winchester-Crawley Court, Winchester-Morn Hill (an unmanned back-up site), Chalfont Bedford, and Ipswich (Martlesham – which provides direct access to markets in the Middle East and North Africa). Crawley and Chalfont are WTA accredited Tier 4 teleports, two of only five teleports accredited Tier 4 globally.

***World Teleport Association (WTA)***

The Group also procures third-party ground-based teleport services in Hong Kong and the United States where a line of sight to a satellite cannot be achieved from its UK assets. This comprehensive network of infrastructure allows the Group to satisfy the international distribution requirements for several of its major customers (for example, by using its fibre network to transport content from the United States and then broadcasting it onward to Europe and elsewhere). As of 30 June 2024, approximately 8% of the Group's Media and Broadcast revenue was transacted in currencies other than sterling with a combination of Euros (6%) and US dollars (2%).

For customers requiring international distribution, the Group offers comprehensive managed network solutions, including teleport services, satellite capacity management, fibre connectivity management, and disaster recovery solutions.

The Group's satellite and media uplink services consist of the transmission of a broadcast signal from a teleport to a satellite, while downlink services consist of the reception of a broadcast signal that is transmitted from a satellite to a teleport and turnaround consists of downlinking a satellite signal and instantaneously up-linking it again, either to transmit a signal beyond the range of a single satellite or to change the signal from one transmission bandwidth to another.

The Group has been expanding its IP-based solutions, including the launch of IP streaming products the development of Arqade a cloud-based self-service content interchange and Arqplex a cloud-based

headend-as-a service with which the Group aims to retain its existing customers and gaining new clients. The Group is continuing investment in IP related products: IP streaming, IP contribution, video-on-demand, remote and edge playout. The Group continues to build out its scalable and secure IP-based media service routing platform. The platform offers customers greater flexibility, as it is controlled by a "drag and drop" service orchestration system used to reduce costs, improve service delivery, and improve efficiency.

The Group is a leading provider of satellite uplink infrastructure and satellite distribution services in the UK in terms of the number of channels available for UK DTH satellite broadcast, with an estimated outsourced market share of approximately 25% of fully managed channels as of 30 June 2024. As of 30 June 2024, the Group delivered approximately 157 TV channels to approximately 7 million homes in the UK, making it the largest provider (by channel count) of UK DTH services. The Group's market share has shown consistent channel growth and, in the year ended 30 December 2024, the Group added capacity for 16 SD and 28 HD services, including 9 SD and 24 HD channels for ITV.

The Group provides several services for the satellite teleport market and is ranked in the top 10 global independent teleport operators (as voted by World Teleport Association).

The Group has sales offices and representatives in France, Dubai (MENA), Sydney (ANZ) and Kuala Lumpur (SEA) which serve as a platform to capitalise on international opportunities. Going forward, virtualisation (utilising developments in IT storage and computer technology to run virtualised systems, in either the public or private cloud) may make new markets and geographies accessible to the Group by enabling the shift from a hardware-based model to a software-based model. In addition, the Group's "pay-as-you-go" model does not require the Group to invest or pre-pay for infrastructure, as was typical with traditional Media and Broadcast technologies.

Revenue from the Managed Media Services business function was £27.4 million, and £24.0 million, which represented 8.5% and 7.9% of the Group's total revenue for the six months ended 31 December 2023 and 2024, respectively.

The Group's UK DTH revenues are primarily driven by the volume of channels being distributed to the Sky platform and the volume of Mb bandwidth required to distribute the channels. Revenues are derived on a price per Mb basis. The volume of Mb required to distribute the channel depends on a number of factors including, but not limited to, the broadcast channel type (e.g. SD or HD), the complexity of the content (e.g. low dynamic news picture versus high dynamic sports picture) and the quality of broadcast required by the broadcaster (e.g. an SD channel could require approximately 2 to 5Mb, a HD channel could require approximately 6 to 10 Mb).

### *Customers and contracts within Managed Media Services*

The Managed Media Services business has a large and diverse customer base. Among the Group's customers are most of the Tier 1 international broadcasters, such as Canal Plus, Warner Bros Discovery, Comcast, Paramount as well as Tier 2 and Tier 3 customers. The top three customers in UK DTH are WBD (includes TNT sports), CBS and Narrative representing 37% of Satellite and Managed Media Services revenue as at 30 June 2024. For Managed Media Services the top three customers Irdeto Africa, Warner Bros Discovery and BFBS represent 28% of Satellite and Managed Media Services revenues as at 30 June 2024.

Typical contract lengths are three to five years with a historic gross renewal rate of approximately 90% with existing customers and exceptionally low default rates. Gross Churn, which is defined as annual revenue lost on contracts not renewed or terminated divided by revenue pre-renewals, has averaged approximately 23% for UK DTH and Managed Media Services for the year ended 30 June 2024. Approximately 38% of the Group's satellite and media contracts have price increases linked to RPI.

The Group continues to be a leading provider of DTH capacity across major customers, including ITV and WBD who between them use over 300Mbits.

### *Competition*

Group's major UK competitor in the provision of satellite telecommunications and uplink services is GlobeCast. The BBC buys transponder capacity directly for its own purposes and Sky sources capacity for itself and for many of its channels or those who are part of their subscriber packages. Another of the Group's competitors in satellite is MX1, a global media services provider wholly owned by SES (a communications satellite owner and operator based in Luxembourg).

As of 30 June 2024, the Group believes it had a 36% share of leased UKDTH transponder capacity. As of June 2024, the Group estimates Sky had a share of approximately 30%, GlobeCast approximately 19%, and SES approximately 6%.

The Group provides Managed Media Services across a wide array of product offerings. Various global competitors compete with this business function in these product areas, but the overall competitive landscape for Managed Media Services is fragmented along the value chain. The Group offers a full range of products and solutions either on an integrated or standalone basis. The Group competes globally but has a focus on the UK and Western Europe.

### *SUN Business Function*

Revenue for the SUN business function was, £82.7 million, and £67.5 million, which represented, 25.5%, and 22.1%. of the Group's total revenue for the six months ended 31 December 2023 and 2024, respectively

| | Six months ended 31 December | | Year Ended 30 June | |
|---|---|---|---|---|
| | **2023** | **2024** | **2023** | **2024** |
| | *(£ millions)* | | | |
| Metering Networks | 66.8 | 52.8 | 110.2 | 132.1 |
| Satellite Data Comms | 4.6 | 4.1 | 11.8 | 9.1 |
| Site share and TSAs | 11.3 | 10.6 | 28.9 | 22.7 |
| **Total** | 82.7 | 67.5 | 150.9 | 163.9 |

### *SUN*

The majority of SUN revenue is derived from metering networks where the Group is a leading provider of smart metering services for the Energy segment, through a long-term contract with the Data Communications Company, and smart metering services for the Water segment through contracts with Thames Water, Anglian Water, United Utilities, Affinity Water and Portsmouth Water.

### *Smart Energy Metering*

Smart energy metering is a government initiative (with the Government mandating smart energy metering rollouts) to support the UK energy transition and achievement of Net Zero target. Smart meters link to in-home displays, which enables consumers to see how much energy they are using and monitor costs. Smart meters also communicate directly with energy suppliers, which allows suppliers to provide consumers with more accurate bills, thus removing the need for manual meter readings and estimated billing. According to the Department for Energy Security & Net Zero, based on their monitoring smart meter energy savings using the National Energy Efficiency Data-Framework, households with smart meters make

savings of two to three per cent. on energy, using the information from their smart meters and in-home display to make changes to their usage.

The Group has deployed a smart metering communication network in the North of England and Scotland as part of a 15-year contract signed in September 2013 with the DCC, a body licensed by statute and backed by the utility companies, DCC manages the rollout of the smart metering programme. Under its contract with the DCC, the Group earns revenue for the build-out of a smart metering network from set-up charges, which are milestone-based payments, including design, build and testing milestones, related to the network roll-out. In addition, the Group earns revenue from network availability charges and related fixed operational charges as the smart metering network enters operational service, which the Group can charge throughout the lifetime of the contract.

The Group also earns revenue from developing and implementing Change Requests specified by DCC, to modify existing or develop new communication network capabilities. Finally, the Group earns revenue from monthly asset charges, which are triggered upon accepted delivery of the communication hubs, and monthly maintenance charges, which are triggered upon activation of communication hubs, and both of which the Group can charge throughout the lifetime of the contract. While the Group provides the network infrastructure, the meters and communications hubs are owned and installed by the energy suppliers. In November 2016, the DCC service entered operational service throughout the UK following the completion of integration testing. The Arqiva network is successfully transmitting and receiving messages between DCC users (the energy companies), and consumer electricity and gas meters. The roll-out of the service to consumers' homes has been ongoing for several years, with the pace of roll-out impacted by the Covid-19 pandemic, the network build has already completed providing coverage of 99.5% of all homes in the agreed coverage zones. As of March 2025, 3.6 million communications hubs have been deployed with the rollout expected to continue over the coming years.

Capital expenditures are financed upfront under the Group's commercial terms with the DCC, and any change request payments are pre-paid against milestones. Payment under the contract is governed by an established regulatory framework (the Smart Energy Code), under which the DCC directly charges distribution network operators and energy suppliers for charges applied by the Group. Network operators and energy suppliers are responsible for the bad debts of consumers and failure by a network operator or energy supplier to pay the DCC results in costs being assumed by other network operators and energy suppliers in the industry. The DCC began paying set-up costs to the Group upon the achievement of agreed milestones associated with the network roll-out. The set-up charges are paid over a period with the start date being defined against a milestone. The DCC also commenced paying fixed network operating charges in November 2016. When additional charges arise in respect of the supply and support maintenance of communication hubs and change requests, such charges are passed on to the DCC.

***Smart Water Metering***

Smart water metering is an industry-led, regulator supported initiative to install smart water meters in homes and businesses, with a focus on "water stressed areas". The use of smart meters provides benefits including faster leak detection, enhanced supply and demand planning, better capital investment targeting and lower consumption. It is estimated that smart metered customers will use 17% less water than customers who do not have a smart meter (Source: National Infrastructure Commission).

In December 2025, the regulator Ofwat concluded its latest price review (PR24) and set the water companies budgets and targets for the period of 2025 to 2030. Each water company now has annual targets for the volume of smart meters they must install. There are also performance targets for these meters to ensure the data they generate is received by the water companies.

The top five water providers cover more than 50% of UK households, with Thames Water being the largest.

In March 2015, the Group signed a contract with Thames Water for the provision of smart metering that enable the collection, management, and transfer of metering data from households. The contract was for

an initial six-year term to cover meter deployment with a 15-year operation contract. This was extended in 2021 to cover the period up to 2031. As at the end of 2024 the Group has 1.1 million meters connected with Thames Water and is currently working through plans with Thames Water to add additional scale in the next regulatory period (April 2025 to March 2030).

In 2020 the Group also secured a contract with Anglian Water to deliver a fully managed AMI water metering network and deliver 0.8 million smart meters within Anglian Water's 2 million premises supply area. The contract was for 5 years to deploy and subsequently 15 years to operate the service. Following the success of the initial period of the programme and, having competed in a 'mini-competition', the Group was awarded in 2023 a further scope of 0.3 million meters to be deployed by the end of the current regulatory period (March-25). As of February 2025, approximately 1.1 million AMI meters have been deployed. In September 2024, the Group was awarded a further five years of supply and fifteen years of operation with Anglian to complete their entire smart metering requirements, which will add a further 1.1 million meters to the AMI water metering network.

In 2022 the Group also agreed on an initial pilot with Northumbrian Water, operating as Essex and Suffolk Water, for a small area in Dagenham, for up to 80,000 meters.

In the period of December 2024 to date the Group has contracted with United Utilities, Affinity Water and Portsmouth Water to provide their smart metering services. This will add a further 1.8 million meters to the Group's portfolio. The Group continues to participate in ongoing procurement activities to capture further share of the Smart Water metering market.

***Managed Connectivity to Utilities***

For the Energy Sector, the Group has built on a long history of providing satellite connectivity to remote sites. Between 2011 and 2013 Northern Gas Networks, Scotia Gas Networks, Wales and West Utilities and UK Power Networks ("**UKPN"**) all signed contracts with the Group to provide these basic connectivity requirements. All of these have now been renewed several times based upon the Group's service and commercial performance.

Two of these contracts have expanded to include additional services; for example, UKPN now takes a second satellite-based service tier for estate of more numerous and slightly lower criticality sites.

In the Enterprise Networks segment, the Group offers hybrid connectivity solutions to clients such as SGN through multiple technology solutions and provides managed services for sensors at the network level. The Enterprise Network contracts typically range between 3-7 years.

In 2024 SGN contracted to replace all their remote connectivity with the Group's Managed Connectivity product set. Initially focused on 114 of their higher criticality sites, the Group has already received and accepted two further change requests to expand that offering to lower criticality sites, totalling 404 sites. Discussions continue to expand services further. In the SGN, the Group provides a fully resilient and highly secure solution on a managed service basis.

The UK smart meter market is served by a few manufacturers. Arqiva already works at scale with two of the four manufacturers and can integrate with others. Arqiva is the only provider offering a private metering network, with flexible options to match the needs and budget of water companies. Rapid growth in data volumes is reshaping head-end systems and customer IT, which now must support meter operations, billing, and customer relationship management systems

### *Employees*

In the year ended 30 June 2024, the Group employed an average of 1,312 full-time equivalent persons. The Group works in partnership with BECTU, the UK's primary media and entertainment trade union, on all issues relating to employment, organisation change and terms and conditions. Despite addressing challenging issues over recent years (including the closure of the Defined Benefit Pension Scheme to future accrual, and organisation restructuring), the Group has experienced no significant employee relations or industrial relations issues. As of 31 December 2024, approximately 37% of the Group's employees were covered by collective bargaining agreements, including through BECTU.

The table below shows the average number of full-time employees for the years ended 30 June 2022, 2023, and 2024 in each of the Group's business functions and Corporate Support (which covers management, finance, legal and human resources).

| | Year Ended 30 June | | |
|---|---|---|---|
| | **2022** | **2023** | **2024** |
| Operations | 562 | 566 | 574 |
| Technology | 463 | 478 | 472 |
| Corporate Support | 180 | 180 | 193 |
| Sales and Commercial | 71 | 64 | 73 |
| **Total** | **1276** | **1,288** | **1,312** |

### *Properties*

The Group's operational headquarters are located near Winchester, UK, with the corporate headquarters based in London. The Group has a further 18 occupied sites across the UK.

### *Media and Broadcast*

The Media and Broadcast business function manages a vast network of transmission sites for DTT and Radio, operates licensed Multiplexes and oversees related engineering projects. The key equipment required to provide end-to-end network services to both DTT and radio broadcasters are mast and towers, antennas (both main and reserve), transmitters (used to produce signals for distribution), programme input equipment (used to process video and audio signals) and combiners (used to combine outputs from different channels for broadcast via the antenna network). Approximately 80 of the Group's c.1,150 DTT sites (as of 20 February 2025) are main or major stations and the remainder are smaller relay sites.

The Group owns a freehold interest in approximately 35% of its total DTT sites (60% for its main stations and major sites), and leases 65% of sites (40% for its main stations and major sites) primarily on medium- to long-term leases. The average initial lease length for the Group's DTT sites is 32 years, although the average initial lease length is slightly longer (49 years) for its main stations and major sites. Many of the Group's DTT sites are valuable for multiple uses – featuring telecommunications, radio, and smart utility equipment.

A typical site consists of a compound enclosing the site, a tower structure and one or more equipment shelters that house a variety of transmitting, receiving, and switching equipment. Tower structures are typically stand-alone or guyed towers, as tall as 350 metres, or small monopole/tubular structures, often used to address space or aesthetic constraints in more densely populated areas. The site portfolio also contains the UK's largest free-standing concrete structure at 330 metres based in Yorkshire.

Each of the Group's five satellite teleport sites consist of multiple satellite antennas arranged in an array over a single site, plus supporting infrastructure which allows for control and maintenance of the antennas. A typical site consists of a compound enclosing the site with antennas/dishes ranging from small (1.2 metres) to large (16.4 metres) structures (9 metres is the most commonly used size) with several equipment cabins and a master control centre. The Group has also a data room, downlink antenna and monitoring control room in France.

***Spectrum Licences***

| **Licence** | **Licence Expiry Date** | **Application** |
|---|---|---|
| COM 5 | 31 December 2034[1] | DTT |
| COM 6 | 31 December 2034[1] | DTT |
| D1 | 31 December 2035 | Radio |
| SDL[2] | 2028 – option to extend to 2035 | Radio |
| Arqiva Local DAB Multiplexes [3] | 24 licences have been renewed to expire on 31 December 2030.<br>One remaining application has been submitted to Ofcom in January 2025 and awaits Ofcom renewal until 31 December 2030. | Radio |
| 412 MHz | In perpetuity | SUN |
| Bedford | Renewed annually | Uplink services |
| Chalfont | Renewed annually | Uplink services |
| Crawley Court | Renewed annually | Uplink services |
| Martlesham | Renewed annually | Uplink services |
| Morn Hill | Renewed annually | Uplink services |
| Ofcom Licences for Microwave Fixed Links | Renewed annually | Fixed link services |
| As of 30 April 2025, the Group held the following revenue generating spectrum | | |
| 28 GHz Spectrum Access | 2026 | Satellite earth station gateway licences at specific locations only |

Notes:

1. Approved by Ofcom on 6 April 2023. The Group received renewed licences in May 2023. Licences are subject to revocation for reasons related to the management of the radio spectrum, subject to the consent of the Secretary of State and any revocation taking effect with five years' notice and not earlier than 31 December 2030.
2. Licence owned by consortium of the Group, Bauer Media and Wireless Group (part of News International).
3. 25 total (including licences owned through joint ventures) as of 30 April 2025.

### *Insurance and Risk Management*

The Group maintains insurance coverage of £100 million for business interruption, £110 million for public and product liability, up to £50 million for property, £50 million for employers' liability, £100 million for terrorism and £25 million for professional indemnity, indemnity levels which are customary for the Group's industries. The Group also maintains other types of insurance that are typical of the Group's industries and which it believes to be adequate. The Group's insurance policies are subject to customary deductibles and exclusions. See "*Risk Factors—Risks relating to the Group's business and industry—The Group's infrastructure assets may be affected by natural disasters and other unforeseen events or damage".*

The Group adopts an Enterprise Risk Management approach, which conforms to the intent of ISO31000, enables the Group to meet its corporate objectives and forms an important part of good corporate governance. Risk management is a structured approach for taking informed decisions on managing risk, establishing a risk aware culture, and encouraging the discussion of business issues. This extends from project risk, through to programme, and operational risks which are consolidated at business unit level and reported to senior management and the Audit and Risk Committee. This approach incorporates an Operational Resilience Committee which focuses on Information Security, Quality, Business Continuity, Physical Security and Health and Safety. Managing risk and ensuring resilience in these areas is a core responsibility of management at all levels. In addition, the Group has a formal Health and Safety audit plan in force with formal risk assessments being carried out and documented with relevant Safe Systems of Work.

Exceptional operating expenses for the Group during the six-month period ended 31 December 2024 were £1.9 million, with £1.8 million incurred in the prior period ended 31 December 2023. Exceptional items charged to operating profit in the current year related to restoration costs arising from the Bilsdale fire, and restructuring and severance costs as the Group continues to embed the changes from its Technology restructuring programme.

Included within exceptional operating expenses for the six-month period ended 31 December 2024 were restoration costs of £0.6 million a decrease from £1.4 million in the prior period. The restoration costs were associated with the Bilsdale transmitter following a fire which broke out on 10 August 2021. The Bilsdale broadcast site is now fully operational, having fully restored TV services by June 2023 and radio services by January 2024. The final insurance payment, resulting from additional build cost and service disruption, has been received. The restoration costs incurred in the period relate to the final site restoration completion activities.

### *Contractual Obligations and Commitments*

The following table sets out the payments due by period under the Group's contractual obligations as of 31 December 2024:

| | | Payments due by Period | | | |
|---|---|---|---|---|---|
| | **Total** | **Within 1 Year** | **Between 1 and 2 Years** | **Between 2 and 5 Years** | **After 5 Years** |
| | | | *(£ millions)* | | |
| Bank loans – Working capital facility | 26.0 | 26.0 | — | — | — |
| Junior Loan [(1)] | 450.0 | — | — | 450.0 | — |
| Senior bonds, notes and US Private Placement [(2)] | 939.2 | 75.0 | 99.1 | 521.1 | 244.0 |
| Lease liability obligations | 57.0 | 18.0 | 12.5 | 12.4 | 14.1 |

| | Payments due by Period | | | | |
|---|---|---|---|---|---|
| | **Total** | **Within 1 Year** | **Between 1 and 2 Years** | **Between 2 and 5 Years** | **After 5 Years** |
| | | | *(£ millions)* | | |
| **Subtotal (excluding impact of off-setting hedge arrangements)** | **1,472.2** | **119.0** | **111.6** | **983.5** | **258.1** |
| Trade payables | 30.4 | 30.4 | — | — | — |
| Capital commitments | 10.4 | 5.5 | 4.6 | — | 0.3 |
| Other payables (incl. accruals and accrued interest) | 44.2 | 44.2 | — | — | — |
| **Total non-Group** | 1,557.2 | 199.1 | 116.2 | 983.5 | 258.4 |
| Amounts owed to Group undertakings | 1,944.2 | 1,899.0 | — | — | 45.2 |
| **Total** | 3,501.4 | 2,098.1 | 116.2 | 983.5 | 303.6 |

Notes:

(1) Junior loan is the debt that is currently being refinanced.

(2) Senior bonds, notes and US Private Placement include U.S.$ denominated debt presented gross of offsetting hedge arrangements and debt issue costs.

As part of the Group's 2013 refinancing, the majority of the balances within amounts owed to group undertakings were formalised under a single subordinated loan agreement with the direct parent company which has a long-term maturity date of 2033. Under the terms of the subordinated loan agreement, these loans cannot be recalled earlier than the final maturity date other than with the agreement of the Borrower, and interest can be deferred if the Borrower does not have sufficient available cash flow. The Group continues to defer these amounts in accordance with the terms of the loans, and this deferred amount is presented as being due within one year.

The Group does not and has not used off-balance sheet special purpose vehicles or similar financing arrangements on an historical basis. In addition, the Group has not had and does not have off-balance sheet arrangements with any of its affiliates.

### *Pension Obligations*

The Group currently operates two pension arrangements. The Group operates a defined contribution group personal pension scheme for employees employed in the UK to which the relevant employer makes contributions of between 6% and 10% depending on the employee's level of contributions. The Group also operates a defined benefit pension scheme which is closed to new entrants and was closed to future accrual with effect from 31 January 2016. As of 30 June 2023 (latest triennial valuation) the defined benefit pension scheme had approximately 216 deferred members and 590 pensioner and dependant members. The defined benefit pension scheme was closed to future accrual from 31 January 2016, meaning that active members then became deferred or pensioner members. The valuation for 30 June 2023 (latest valuation) indicates a surplus of £12.5 million on an ongoing (technical provisions) basis, representing a funding level of 106% (technical provisions basis). The proposed schedule of contributions requires Arqiva Limited to make no annual contributions in respect of the defined benefit pension scheme. A small number of employees (estimated to be less than 50) have entitlements to enhanced early retirement benefits under the defined benefit pension scheme which would transfer on any future TUPE transfer.

Following the Group's Pension Plan undertaking a full buy-in in April 2024, the Group's externally invested pension plan assets have principally been transferred to Pension Insurance Corporation plc ("PIC"), in exchange for an income stream to match the liabilities due from the Pension Plan as they arise. The buy-

in has transferred materially all actuarial (including longevity) and investment risks from the Pension Plan to PIC.

### *Legal Proceedings*

At any given time, the Group may be a party to litigation or be subject to non-litigated claims arising out of the normal operations of the Group's business.

The Group currently has an active claim for c.£3 million against Scottish Power regarding overcharging at one of its sites. Litigation for uninsured losses is pending against suppliers in connection with a fire at the Bilsdale mast in August 2021. There are no other material legal proceedings outstanding as at the date of this Offering Memorandum.

### *Trademarks*

The Group has obtained trademark registrations for the name "Arqiva" in the UK and the EU. The initial terms of the Group's registered trademarks (held directly or indirectly) are for at least 10 years from the date of filing and are renewable thereafter. The Group's trademark registrations were recently renewed and extended, with the latest running until 2035.

### *Regulation*

For regulations, the Group believes are material to its business, see "*Regulation of the Communications Industry in the United Kingdom.*"

### *Environmental and Health and Safety Policies*

The Group is subject to a broad range of environmental and safety laws and regulations. These laws and regulations impose stringent environmental and safety obligations regarding, among other things, radiation emissions, the protection of employee health and safety, noise, and historical preservation.

The Group maintains a series of policies and standards which align the Group to all applicable laws and regulations on environmental protection and safety. These commitments, which align to ISO 14001, seek to engrain environmental considerations into all employee and programme activity. For more information see "*Risk Factors - Risks relating to the Group's business and industry*.

### *Sustainability*

The Group has set out an Environmental Sustainability plan which has three key goals:

- to be net zero by 2031 for scope 1 and 2 emissions (scope 3 by 2040),
- to enhance biodiversity across its sites, and
- to minimise waste across its operations.

The Group's Environmental Sustainability plan relates to the UN Sustainability Goals number 13 on climate action, 15 lives on land and 12 responsible consumption and production.

The Group has abatement plans in place for reduction of scope 1 carbon emissions which are focused on electrification of fleet vehicles, transition to low carbon fuel for stand by generators, swap out of gas, and oil central heating and minimising gas leakage from air conditioning systems. The Group's scope 2

reductions are dependent on reducing its energy demand through re-engineering or replacement of technical equipment and securing green energy for the remainder of its supply though purchase of renewable energy certified by The Carbon Trust. The Group has base-lined its emissions in accordance with SECR (Streamlined Energy and Carbon Reporting) regulations.

The Group is now validating its plans in more detail to support emission reduction reporting in accordance with science-based targets and is submitting its targets for validation by SBTi (Science Based Targets Initiative) by June 2025. The Group calculates Scope 1, 2 and 3 greenhouse gas emissions in accordance with the Greenhouse Gas Protocol and publish these as part of the Group's Annual Report. The Group is working with suppliers to understand their plans towards net zero.

The Group has invested significantly into capital infrastructure and has £1,177.9 million of property, plant, and equipment as at 31 December 2024. The Group's transmission upgrade and sustainability programmes aim to replace equipment with modern, more efficient and less power intensive alternatives, helping to reduce the Group's overall power consumption and emissions, supporting its drive to become a net zero organisation. The Group has also increased its investment in IT and software while looking to the future and the development of the Arqade cloud media management products.

## REGULATION OF THE COMMUNICATIONS INDUSTRY IN THE UNITED KINGDOM

### Overview

The Group's business is subject to extensive regulation. Key areas of regulation relevant to the Group include:

- Undertakings given to the Competition Commission (now its successor, the Competition and Markets Authority ("**CMA**")) supervised and enforced by the Office of the Adjudicator – Broadcast Transmission Services ("**OTA-BTS**") and the CMA;
- communications regulation under the Communications Act 2003 (the "**Communications Act**") and related regulations, supervised and enforced by Ofcom, the UK's independent communications regulator;
- spectrum licence regulation including under the Wireless Telegraphy Act 2006 (the "**WT Act**") and the Broadcasting Act 1990 and Broadcasting Act 1996 (the "**Broadcasting Acts**");
- the Electronic Communications Code set out in Schedule 3A of the Communications Act 2003 (the "**EC Code**");
- the Product Security and Telecommunications Infrastructure Act 2022;
- the Telecommunications Security Act 2022; and
- regulation relating to the Group's sites and infrastructure.

### Competition Regulation

#### *The Undertakings*

*Overview*

As a result of historical reasons related to competition, the Group is subject to competition undertakings. In its present form, the Group was formed from the 2008 acquisition by Macquarie UK Broadcast Ventures Limited ("**MUBVL**") of the NGW group. MUBVL and NGW both provided broadcast transmission services to terrestrial television and radio broadcasters and Multiplex operators as well as infrastructure systems and services to mobile network operators ("**MNOs**") or fixed network operators. The acquisition was reviewed by the UK Office of Fair Trading and the Competition Commission, the UK competition authorities at the time. On 11 March 2008, the Competition Commission concluded that the acquisition might have been expected to result in a substantial lessening of competition in the market for transmission services, which includes the provision of managed transmission services ("**MTS**") and network access ("**NA**") to television broadcasters and certain radio broadcasters within the UK. Given this conclusion, Arqiva Group Limited (formerly Macquarie UK Broadcast Holdings Limited), Macquarie MCG International Limited, Macquarie European Infrastructure Fund II, Macquarie European Infrastructure Fund III and Macquarie Infrastructure and Real Assets (Europe) Limited (formerly Macquarie Capital Funds (Europe) Limited) (the "Signatories") gave undertakings to the Competition Commission (the "**Undertakings**").

The entities who provided the Undertakings in 2008 were the shareholders of Arqiva Group Limited ("**AGL**") at the time. Since then, the shareholding structure has changed, with Canada Pension Plan Investment Board ("**CPPIB**") selling its c. 48.02% stake (held through the relevant CPPIB owned Macquarie funds) to D9 Wireless OpCo 2 Limited (part of the Digital 9 Infrastructure plc. Group) ("**Digital 9**"), a UK-headquartered infrastructure investor. There is no prescribed process for the Competition and Markets Authority ("**CMA**") to provide its consent to the change of control over AGL under the Undertakings. The CMA consented to the transfer of CPPIB's c.48.02% stake to Digital 9 and, while the entities that have

initially signed the Undertakings formally remain signatories to the same, the CMA has confirmed that it now considers Digital 9 (rather than CPPIB) to be bound by the Undertakings.

The Competition Commission accepted the Undertakings on 1 September 2008 and approved the acquisition. As set out in the Undertakings, the Signatories will not act in a manner which would prevent AGL from complying with the Undertakings. In addition, the Signatories are subject to restrictions on transferring control of a member of the Group that carries on activities that are or may be material to the "Relevant Business Activities", being the activities "conducted by Arqiva in relation to the provision of MTS and Network Access and associated assets", without the prior written consent of the CMA. On 19 October 2022, Digital 9 completed its acquisition of a 48.02% stake in Arqiva Group Limited, for which it received the necessary regulatory clearances, including confirmation from the CMA that it consents to the change of control over AGL pursuant to the Undertakings.

The Undertakings further include:

- in respect of contracts existing at the time the Undertakings were given:
    - a requirement to provide enhanced service availability levels for services consisting of transmission services provided to a radio or television Multiplex operator or broadcaster;
    - the introduction of a "super credit" service credit regime as an alternative to the exercise of termination or step-in rights;
    - the introduction of percentage discounts on the contract price for transmission services;
    - provisions governing new contracts for transmission services including contract terms and pricing (see *"—Undertakings – undertaking to provide NA" and "—Undertakings – undertaking to provide Transmission Services"*). In short, new transmission agreements must be concluded on "fair and reasonable" terms and charges must be cost-related to the satisfaction of the Adjudicator; and
    - a re-affirmation of the requirement to provide NA to any provider of transmission services (see *"—Undertakings – undertaking to provide NA"*). In short, NA must be provided on "fair and reasonable" terms and charges must be cost-related, to the satisfaction of the Adjudicator and, if relevant, Ofcom;
- additional provisions upon renewal of existing agreements:
    - rights of renewal for radio customers in relation to existing contracts on the same terms and conditions (as amended as a result of the Undertakings) to the extent relating to transmission services;
    - the requirement to grant certain of its television and radio customers the right to purchase transmitter equipment dedicated to that customer's agreement upon exit of the agreement and, if taken up, a plan to facilitate transfer of ownership and control of such equipment to the customer;
    - a requirement to maintain appropriate accounting records to enable the Group to prepare (and have audited) annual statements of revenues, costs and assets employed for transmission services;
    - restrictions on the use of confidential information and a requirement to publish an information security strategy detailing the Group's principles for access to and use of confidential information (recognising that the Group's own Multiplex business could be in competition with that of its broadcast transmission customers);

- a requirement to report monthly on the integration of NGW in relation to the planned cessation of analogue terrestrial television broadcasting services and the transition to all digital terrestrial television ("**DTT**") broadcasting services in the UK (the digital switchover);
- a requirement to report and provide information to the Competition Commission to allow it (and Ofcom the Adjudicator) to monitor or enforce compliance with the undertakings; and
- restrictions as to the terms under which AGL can provide transmission services and/or NA to itself. Where AGL proposes to provide transmission services and/or NA to itself under terms which materially differ from those provided to customers, AGL must provide a copy of the proposal to the Adjudicator.

The Group is subject to the Undertakings in respect of both MTS and NA with respect to terrestrial broadcast. The Undertakings remain in effect, applying both to existing and new contracts that the Group enters into to provide services to television and radio broadcasters and Multiplex operators, and to the related infrastructure, in a number of ways. The Undertakings are now enforced by the OTA-BTS and the CMA, as successor to the Competition Commission.

*Enforcement*

Under the Enterprise Act, if the CMA considers that an Undertaking has not been, is not being or will not be fulfilled, then the CMA may make an order to remedy, mitigate or prevent the Substantial Lessening of Competition ("SLC") concerned and to remedy or prevent any adverse effects which have resulted from, or may be expected to result from the SLC.

Such an order may contain anything permitted by the Enterprise Act, which includes (i) prohibiting anything the CMA may consider to be (a) discrimination between persons in the prices charged for services or (b) a preference in respect of the supply of goods or services; (ii) prohibiting charging prices different to those in any published list or notification; (iii) regulating the prices that can be charged for goods or services; (iv) prohibiting or restricting the acquisition of all or any part of the undertakings or assets of another person's business; or (v) providing for the compulsory division of any business (for example by way of a sale of any part of the undertakings or assets of a business).

To date, the Group has not been subject to any enforcement procedures in respect of the Undertakings.

AGL has further confirmed that to date there have not been any difficulties in meeting these Undertakings and that the Undertakings have been complied with other than a minor technical breach in 2010. In response to this breach, the Office of Fair Trading noted the exceptional circumstances of the case, the prompt reaction of AGL and the actions taken to strengthen AGL's internal procedures and confirmed there was no intention to escalate the matter further.

*Adjudicator (OTA-BTS)*

The Undertakings provide for the appointment of an adjudicator and setting up of the OTA-BTS (the "**Adjudicator**"), who is required to make periodic reports to the CMA (copied to Ofcom) including the OTA-BTS's views on the performance of the Group in complying with the Undertakings. The reports are available at http://ota-bts.org.uk/. OTA-BTS published the latest compliance report for the period between 1 October 2024 to 31 December 2024 and concluded that the Group complied with the Undertakings during the said period, further noting that "the performance of Arqiva continues to be generally satisfactory".

The OTA-BTS has certain powers to give directions in respect of the Undertakings (including but not limited to Reference Offers and to resolve disputes in relation to the Group's obligations under the Undertakings. To date, no disputes have been referred to the OTA-BTS for resolution under its dispute resolution powers.

*Authority (CMA)*

The Undertakings also require AGL to deliver an annual report to the CMA, setting out: (i) the steps it has taken during the preceding year to comply with the Undertakings; (ii) instances where a breach or potential breach of the Undertakings has been identified and the steps taken to remedy it; and (iii) how the annual compliance report was compiled. There were no instances of non-compliance.

Additionally, the CMA regularly reviews undertakings previously agreed to ensure that they are still appropriate in the current circumstances. As part of this programme, the CMA reviewed the Undertakings in 2015 and held that most major stakeholders were satisfied with the situation. The updated version of this review in 2019 indicated that the Undertakings appeared "to be working well". See the CMA's report "Understanding past merger remedies".

Following the CMA's initial review, Ofcom reviewed the broadcasting transmission services market and determined in November 2016 that the Undertakings were sufficient constraints on AGL and the Signatories. See Ofcom's paper "Broadcasting Transmission Services: a review of the market".

The CMA can vary or terminate undertakings where they are no longer appropriate for the circumstances surrounding the perceived competition issue.

***Undertakings — undertaking to provide NA***

The terms, conditions and charges pursuant to which the Group will provide NA under a new transmission agreement are set out in the relevant reference offer for services (a "**NA Reference Offer**"). In preparing a NA Reference Offer the Group must (i) comply with the provisions in the Undertakings regarding charges (see further below), (ii) comply with any direction and have regard to any guidance issued by the OTA-BTS and (iii) have regard to the principles relevant to that type of Reference Offer set out in the Undertakings ("**Principles**"). The Principles set out, at a high level, the terms and conditions of each type of Reference Offer (whether DTT or radio) and include (among other things) provision for liquidated damages to be payable by the Group for any station delivered late (subject to appropriate carve outs), an indemnity in favour of the Group for any content related liability, a service credit and super credit regime and the warranties to be provided by the Group.

With regard to charges, the Group must be able to demonstrate (to the OTA-BTS) that each charge payable for NA (i) is reasonably derived from the costs of provision allowing recovery of common costs and including an appropriate return (being currently a fixed rate of return of 7.71% WACC (real pre-tax) on a pre-2015 regulated asset base and 7.5% WACC (real pre-tax) on post-2015 new capital assets), (ii) has been calculated in compliance with any direction and has regard to any guidance issued by the OTA-BTS and (iii) has regard to the Principles. With respect to charges the Principles provide that (i) the forecast costs of provision are only to include those costs that the Group will reasonably and efficiently incur in providing the NA, (ii) electricity charges will be passed through at cost, and (iii) where actual costs of provision are higher than forecasted costs the charges may not be increased (unless as a result of a change in the specification or any other matter outside of the Group's control) but where actual costs are lower, an appropriate gainshare mechanism is to be applied. There are further provisions relating to the terms, conditions and charges applicable to Transmission Services, (which are a combined MTS and NA service), set out in a Transmission Services Reference Offer (a "**Transmission Services Reference Offer**") (see *"—Undertakings – undertaking to provide Transmission Services"* below).

Existing radio customers may elect to renew their existing contracts on the same terms and conditions, as amended in accordance with the Undertakings (see *"—The Undertakings—Overview*"). Alternatively, where a new agreement is entered into, the customer has the option to adopt the terms of its existing agreement, rather than the terms of the relevant Reference Offer (other than the provisions relating to charges which are to be determined in accordance with the Undertakings).

The OTA-BTS has certain powers to give directions in respect of the Undertakings (including but not limited to Reference Offers) and to resolve disputes in relation to the Group's obligations under the Undertakings. To date, no disputes have been referred to the OTA-BTS for resolution under their dispute resolution powers.

***Undertakings — undertaking to provide Transmission Services***

Pursuant to the Undertakings, the Group undertook to provide Transmission Services of MTS and NA to any customer for the purposes of providing analogue and/or digital terrestrial broadcasting transmission services in the UK to deliver broadcast content to end users. Such Transmission Services must be on fair, reasonable and non-discriminatory terms, conditions and charges and in accordance with the relevant Transmission Services Reference Offer. This permits the Group to establish prices at market levels, provided the Group can demonstrate to the OTA-BTS that the Group's pricing is consistent with market standard rates.

Under the Undertakings, (i) charges for Transmission Services are to be capable of being demonstrated to be (a) reasonably derived from the costs of provision allowing an appropriate mark up for the recovery of common costs and including an appropriate return and (b) calculated in compliance with any direction and with regard to any guidance issued by the OTA-BTS; and (ii) the costs of electricity are to be passed through to the customer with no additional mark up. These provisions also apply to the NA element of any Transmission Services offered or provided by the Group under new transmission agreements.

The OTA-BTS has certain powers to give directions in respect of the Undertakings (including but not limited to Reference Offers) and to resolve disputes in relation to the Group's obligations under the Undertakings. To date, no disputes have been referred to the OTA-BTS for resolution under their dispute resolution powers.

*Ofcom – Significant Market Power*

The Communications Act (discussed further below) was part of a regulatory framework that implemented a package of five European directives. This regulatory framework aimed to respond specifically to competition issues in the rapidly developing industry, including harmonising regulation across Europe and reducing entry barriers and fostering prospects for effective competition for the benefit of consumers. Section 45 of the Communications Act enables Ofcom to impose regulatory conditions on undertakings that it has determined have "significant market power".

Ofcom imposed a number of regulatory conditions on the Group (then Crown Castle UK Limited and National Transcommunications Limited) under Section 45 of the Communications Act on 28 April 2005, following a review of the broadcasting transmission services market. These were revoked on 10 November 2016, on the basis that the Undertakings, described above, had effectively incorporated the content of the 2005 regulatory conditions. Ofcom stated that it retains the ability to open a fresh review into the market should there be any significant changes in the market, "in particular the removal or significant alteration" of the Undertakings.

The regulatory conditions related to the provision of access to the mast and site network and shared or shareable antenna systems acquired, constructed or installed by the Group for the purpose of providing analogue and/or digital terrestrial broadcasting transmission services in the United Kingdom. Further details are set out in Ofcom's Final Statement "Broadcasting Transmission Services: a review of the market" dated 10 November 2016.

***Telecommunications Regulations***

*Overview*

The activities of the Group are directly subject to regulation:

(i) where a relevant Group company is the licence holder for media or broadcast services such as DTT multiplexes and digital radio multiplexes; and

(ii) in relation to broadcast transmission services under the undertakings that the Group provides for customers who are holders of their own terrestrial broadcast licences for DTT and radio services,

collectively, the "**Media Service Activities**". There are other areas where the Group's customers are regulated, such as utilities, but the Group is not itself regulated in these areas.

The following telecommunications regulations are applicable to the Group's Media Services Activities:

(i) the Broadcasting Acts, which regulate broadcasting in a digital form of television and sound programme services as well as the broadcasting in that form on television or radio frequencies of other services;

(ii) the Communications Act, which regulates the provision of electronic communications networks and services, the use of the electro-magnetic spectrum, broadcasting and the provision of television and radio services; and

(iii) the EC Code.

The Group is subject to these regulations as a result of (among other things) being a provider of an "electronic communications network" and "multiplex services". To permit it to carry out its terrestrial broadcast operations in both television and radio, the Group therefore holds a number of multiplex licences. It has also been granted "Code powers" under the Communications Act, to allow it to more readily install and maintain apparatus on, under and over public spaces.

*Communications Act*

The Communications Act is the relevant regulatory regime governing communications in the UK, supervised and enforced by Ofcom.

*Ofcom*

The UK's independent communications regulator is Ofcom, which was established by the Office of Communications Act 2002, replacing a number of existing authorities (the Office of Telecommunications, the Radio Authority, the Radio Communications Agency, the Broadcasting Standards Commission and the Independent Television Commission). Ofcom's main decision-making body is its board, which provides its strategic direction.

Under the Communications Act, Ofcom's two primary duties are:

- to further the interests of citizens in relation to communication matters; and
- to further the interests of consumers in relevant markets, where appropriate, by promoting competition.

Subject to these primary duties, the Communications Act also requires Ofcom to exercise and perform its powers and duties to secure:

- the optimal use for wireless technology of the electro-magnetic spectrum;
- the availability throughout the UK of a wide range of electronic communications services, including broadband;
- the availability throughout the UK of a wide range of television and radio services which (taken as a whole) are both of high quality and calculated to appeal to a variety of tastes and interests;
- the maintenance of a sufficient plurality of providers of different television and radio services;

- the providers of online services do their best to protect users from harm;
- the application, in the case of television and radio services, of standards that provide adequate protection to members of the public from the inclusion of offensive and harmful material in such services; and
- the application, in the case of all television and radio services, of standards that provide adequate protection to members of the public and all other persons from both unfair treatment in programmes included in such services and unwarranted infringements of privacy resulting from activities carried on for the purposes of such services.

In carrying out its duties, Ofcom is obliged to have regard, in all cases, to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed.

Ofcom regulates the television and radio sectors, fixed line telecoms, mobile, postal services and the airwaves over which wireless devices operate. In the context of the Group's business units, this means that Ofcom regulates significant aspects of the Media and Terrestrial Broadcast division within the Media and Broadcast business unit, including with respect to NA, MTS and spectrum, and also regulates the Group's use of spectrum in the UK in its respect of its satellite operations in both the SUN and Media and Broadcast business units. Ofcom is also the regulator for a number of the Group's significant customers, broadcasters and Multiplex operators.

***General Conditions of Entitlement***

*Overview*

The Communications Act grants a general authorisation for providers of electronic communications networks ("**ECNs**") and electronic communications systems ("**ECSs**"), to operate without requiring an individual licence provided they comply with the generally applicable conditions of providing an ECN or ECS. Arqiva Limited operates under this general authorisation regime.

The general authorisation regime is subject to the general conditions of entitlement (the "**General Conditions**"). The General Conditions include requirements for providers to comply with certain technical standards relating to, for example, general access and interconnection obligations. The current unofficial consolidated version of the General Conditions came into force on 1 February 2025.

*Enforcement*

If Ofcom determines that there are reasonable grounds for believing that a provider is in contravention of any of the General Conditions which apply to that provider, it may issue a notification. The provider must comply with the notified conditions and remedy the consequences of the notified contraventions (usually within one month). If the provider does not comply with the notification, the Communications Act provides that:

- Ofcom may issue an enforcement notification in which Ofcom will specify the steps required to be taken by the provider; and
- Ofcom may bring civil proceedings for an injunction, specific performance or any other appropriate remedy or impose a financial penalty if a provider is in contravention of an enforcement notification.

Any financial penalty is to be such amount as Ofcom considers appropriate and proportionate to the relevant contravention, up to a maximum of 10% of the turnover generated by the notified provider's relevant business in the relevant period. For this purpose, the relevant business is how much of the provider's business relates to the provision of ECNs and ECSs (and related activities) and relevant period is the preceding 12-month period ending on 31 March prior to the first notification being given.

To date, the Group has not been subject to any enforcement procedures in respect of the General Conditions.

*Revisions to the General Conditions*

The Communications Act conferred powers on Ofcom to set, modify or revoke the General Conditions at any time provided that any condition or modification imposed: (i) is objectively justifiable in relation to the networks, services or facilities to which it relates; (ii) does not unduly discriminate against particular persons or descriptions of persons; (iii) is proportionate to what the condition or modification is intended to achieve; and (iv) in relation to what it is intended to achieve, is transparent.

The latest change to the General Conditions relating to the use of global Titles and Mobile Network Security by Ofcom on 22 April 2025 came into force on 22 April 2025.

***Code Powers***

*Overview*

The EC Code was originally enacted, in 1984, to regulate landline telephone provision and govern the rights of designated electronic communications Operators (as defined below) to construct, keep and operate equipment on public and private land (the "**1984 Code**").

The Government reformed the 1984 Code by introducing a new version within the Digital Economy Act 2017, which came into force on 28 December 2017.

The new EC Code is set out in Schedule 3A of the Communications Act and includes new and stronger statutory rights for Operators to facilitate the installation and maintenance of electronic communications networks. Code powers can only be granted to providers of electronic communications networks and/or system infrastructure that have obtained a direction from Ofcom that the EC Code applies to them (an "**Operator**").

The granting of Code powers to an Operator gives that Operator certain rights (as set out in the EC Code) to install and maintain apparatus on, under and over public spaces and results in considerably simplified planning procedures.

**Key changes to the EC Code affecting the Group**

***Assignation of Code powers, upgrading and sharing of apparatus***

Any terms in agreements that prevent or restrict Operators from assigning the agreement to another Operator are void, except a term requiring the assignor to provide a guarantee in respect of the assignee. Terms that impose conditions on the assignment, such as a condition requiring the payment of money, are also void.

An Operator can also upgrade its electronic communications apparatus or share that apparatus with another Operator if both of the following conditions are met: (i) changes to the electronic communications apparatus have no adverse impact on its appearance, or no more than a minimal adverse impact; and (ii) no additional burden is imposed on the other party to the agreement. An additional burden includes anything that adversely affects the other party's enjoyment of the land or causes them loss, damage or expense.

Any terms in agreements that prevent or restrict Operators from upgrading or sharing where the two above conditions are met are void. In addition, terms that impose conditions on the upgrading or sharing, such as conditions requiring the payment of money, are also void.

***Power of Court to impose a Code agreement***

An Operator can require a site owner to confer a Code right or to be bound by a Code right that is exercisable by the Operator, including a right to keep electronic communication apparatus installed on that

land, or to execute works on that land in connection with installing, maintaining or repairing that apparatus. To do so, the Operator must give the relevant site owner a written notice stating that it seeks that site owner's written agreement to the Code right and to any other terms which the Operator has set out in the notice. If the relevant site owner does not agree within 28 days of the notice being served, or at any time after the Operator's notice is given provides the Operator a counter notice that they do not agree with, then, under the EC Code, the Operator may apply for a court order imposing an agreement. If the court is satisfied that any prejudice caused can be adequately compensated for by money and is outweighed by the public benefit likely to result from the making of an order conferring the right(s) requested by the operator (and so dispensing with the need for the person to consent), then it may make such order. As a result, Operators now enjoy greater flexibility to build, operate and maintain their networks and system infrastructure.

The new EC Code also provides a right for a party to an expired Code agreement to require the other party to agree to renew or otherwise vary the terms of the agreement upon six months' notice. If at the end of the six-month notice period the Operator and site provider have not reached an agreement, then either party may apply to the court for an order imposing the agreement or the proposed modifications to the agreement.

***Statutory continuation of a Code agreement***

Upon contractual termination or expiry, a Code agreement statutorily continues unless and until determined in accordance with the new EC Code.

***Termination of a Code agreement by a site provider***

To terminate a Code agreement the site provider must:

(i) give a notice in the form prescribed by Ofcom;

(ii) specify the termination date (which must be no earlier than contractual expiry or an earlier date for termination provided in the agreement);

(iii) give at least 18 months' notice; and

(iv) specify one of four statutory grounds for termination. The grounds which can be relied on by a site provider are: (a) substantial breaches by the Operator of its obligations in the Code agreement; (b) persistent delay by the Operator in making payments to the site provider under the Code agreement; (c) the site provider intends to redevelop all or part of the land, or neighbouring land, and could not reasonably do so unless the Code agreement ends; and (d) the Operator does not meet the paragraph 21 test (which sets out when the court can impose a Code agreement).

***No-scheme valuation for rent***

If a Code agreement is imposed upon a site owner, or the court is required to specify terms where the parties are unable to agree, the valuation of the compensation will be based on market value, which excludes any element of value attributable to the intention of the operator to use the site as part of its network. This "no scheme" valuation is based on compulsory purchase principles and standards and is expected to result in substantial savings in rental outgoings for operator tenants, even where the cases do not go to court.

***The effect of the 2017 Code on the Group's existing agreements***

The new EC Code affects existing agreements, subject to the modifications contained in Schedule 2 to the Communications Act. These include, but are not limited to, the following:

(i) the provisions relating to assignment, upgrading or sharing do not apply to existing agreements (so any restrictions on assignment, sharing or upgrading in existing agreements will remain in force);

(ii) the expression “Code rights” will be interpreted in the way set out in the 1984 Code;

(iii) the persons who would have been bound by the rights created by an existing agreement by virtue only of paragraph 2(3) of the 1984 Code will continue to be bound by the rights for the period set out in paragraph 2(3) of the 1984 Code. In effect, existing agreements under the 1984 Code will continue on existing terms until expiry. Upon expiry, the parties to the agreement can renew or vary the terms of the agreement under the new EC Code;

(iv) the 1984 Code will continue to apply to the removal of apparatus if, before 28 December 2017, a notice requiring removal of apparatus was served under paragraph 21 of the 1984 Code; and

(v) part 5 (Termination and modification of agreements) and part 6 (Rights to require removal of electronic communications apparatus) of the new EC Code apply to the termination or renewal of agreements made under the 1984 Code, except agreements subject to the Landlord and Tenant Act 1954.

***Street works***

Part 8 of the new EC Code permits the Operator to construct and maintain electronic communications networks and infrastructure (such as ducts, cabinets and poles) on public highways, without the need to obtain a street works licence to undertake the works and without the need for any separate ongoing proprietary interest in the land.

***Code powers benefiting the Group***

In March 2005, Arqiva Limited was granted Code powers in accordance with section 106(3) of the Communications Act for the purposes of the provision of an electronic communications network. Prior to the implementation of the Communications Act, Arqiva Limited could not benefit from the powers conferred upon Operators as it does not run a telecommunications network, but the Communications Act takes a broader view of who can and should benefit from Code powers, extending the EC Code to providers of electronic communications networks. Ofcom explained that it granted Code powers to Arqiva Limited because Arqiva Limited: (i) provides apparatus which supports five mobile network Operators’ networks and is therefore important in terms of ensuring that Operators can all offer widespread coverage; (ii) provides a large network that promotes competition in the communications market; and (iii) requires Code powers to protect sites on expiry of agreements by requiring landowners to follow a statutory process for removal of apparatus.

In September 2018, Ofcom granted Arqiva Limited a modification of the Code powers it was granted in July 2005. Arqiva Limited’s Code powers were modified so that, in addition to the Code powers applying under section 106(4)(a) for the purposes of the provision of electronic communications networks, the Code powers shall also apply for the purposes set out in section 106(4)(b) of the Communications Act, namely for purposes of the provision of a system of infrastructure which is made available for use by other providers of electronic communications networks.

Operators are required (pursuant to the EC Code (Conditions and Restrictions) Regulations 2003) to lodge a certificate in respect of the funds for liabilities obligation (“**FFL**”), which is an obligation to ensure that sufficient funds are available to meet certain specified liabilities. Such specified liabilities include, but are not limited to, costs or expenses of a responsible authority to repair damage caused by the installation or removal of electronic communications apparatus and liabilities arising under the New Roads and Street Works Act 1991.

The certification process requires the Code power holders to consider whether a provision needs to be made for FFL and, if so, a bond must be lodged with Ofcom. There is also a requirement for Operators to periodically review their decisions regarding FFL and, if provision has been made, whether the bond continues to be sufficient. The Group has lodged a bond with Ofcom

### *Further changes to the EC Code*

The Product Security and Telecommunications Infrastructure Act 2022 received royal assent on 6 December 2022. This Act made several changes to the EC Code in part to "further the expansion of mobile, full fibre and gigabit capable networks across the UK" by encouraging "faster and more collaborative negotiations for the installation and maintenance of telecoms equipment on private land". In particular, the Act introduces: (i) express Code rights for operators to share with other operators the use of electronic communications apparatus installed on, under or over land, and to access land to carry out works associated with such sharing; and (ii) amendments to the EC Code, so that sharing and upgrading can apply to agreements that were in place before the EC Code came into force. Additionally, the Act amends the Landlord and Tenant Act 1954, such that rent under a new tenancy granted by order of the court will be valued according to the "no scheme" valuation method (i.e. the "open market valuation" method used under previous versions of the 1954 Act will no longer apply). See No-scheme valuation for rent section above.

## Spectrum Regulation

### *International Spectrum Regulation*

Radio spectrum (a term which is generally understood to mean the electromagnetic frequency range from 3 kHz to 300 GHz) is the means by which all wireless devices communicate. Spectrum is a finite resource, demand for which greatly exceeds supply in many frequency bands and many geographical areas. The frequencies below 1 GHz combine both capacity (bandwidth) and coverage (propagation), which makes them suitable for a wide range of different applications and so are considered to be the most valuable.

Radio spectrum propagation does not align with national borders. Therefore, international co-operation has long been a feature of spectrum management policy.

At an international level, radio spectrum falls within the remit of the International Telecommunication Union ("**ITU**"), an agency of the United Nations, which co-ordinates the global exploitation of the radio spectrum; promotes international co-operation in assigning satellite orbits; and establishes worldwide standards to foster interconnection of communications systems. The ITU's legal framework is based on its constitution and convention (which has treaty status and to which the UK is a party) and the Administration Regulations (comprising the Radio Regulations and the International Regulations). World Radiocommunication Conferences are organised by the ITU to review and, where necessary, amend the Radio Regulations (the international treaty governing, among other things, the use of radio-frequency spectrum). These are held every three to four years. The most recent was in November 2023.

The policies of the ITU on management of radio spectrum and allocation of frequencies may impact the terms of the UK licensing regime that the business lines of the Group dependent on spectrum operate under, including its Media and Broadcast and SUN divisions.

## Wireless Telegraphy Act Licences

### *Licences*

Unless expressly licence-exempt, a licence under the WT Act is required in order to install or use wireless telegraphy apparatus or to establish or use a wireless telegraphy station. Wireless telegraphy apparatus or a wireless telegraphy station is apparatus or a station for the emitting or receiving (over paths that are not provided by any material substance constructed or arranged for the purpose) of electromagnetic energy of a frequency not exceeding 3,000 GHz that:

- can be used for conveying messages, sound or visual images, or for operating or controlling machines or apparatus; or

- is used in connection with determining the position, bearing or distance, or for gaining information as to the presence, absence, position or motion of an object (or class of objects).

A wireless telegraphy licence is an authority granted by Ofcom authorising a named person to install or use radio equipment in a clearly defined way. Such a licence may be granted either in relation to a particular station or particular apparatus or in relation to any station(s) or apparatus falling within a description specified in the licence. Any licences granted under the WT Act may be issued subject to such terms, provisions and limitations as Ofcom thinks fit, including in particular, limitations as to the position and nature of the station; the purposes for and the persons by whom the station may be used; and the apparatus that may be installed or used there.

See "*Multiplex and WT Act Licences*" section below for details on the WT Act licences the Group holds.

*Enforcement*

Ofcom may revoke a wireless telegraphy licence or vary its terms, provisions or limitations either by giving notice to the licensee or by issuing a general notice applicable to all licences of that class. In February 2006, Ofcom published a Wireless Telegraphy General Licence Conditions Booklet the terms of which are incorporated into and form part of the terms of each wireless telegraphy licence to which the conditions apply. This Booklet was supplemented in January 2023 by an updated version applying in respect of Business Radio, Fixed Link, Maritime, Aircraft and Satellite licence classes above 10Watts E.I.R.P. transmit power. Under the general licence conditions, Ofcom may not revoke a wireless telegraphy licence to which the general conditions apply other than in certain specified circumstances, which include: (i) where the licensee consents, (ii) if a condition has been breached, (iii) in the interests of national security, or (iv) for reasons related to the management of the radio spectrum.

If Ofcom proposes to revoke or vary a wireless telegraphy licence it must notify the licensee stating the reasons for its proposed revocation or variation and specifying the period, the licensee has: to make representations on the matter. Within one month of the end of such period, Ofcom must decide whether or not to revoke or vary the licence in accordance with its proposal (or a modified version of its proposal) and notify the licensee of its decision.

To date, the Group has not been subject to any enforcement procedures in respect of any of its WT Act licences.

The Group received a notice of revocation in December 2023 for eight of the microwave link licences that were used by the Group in the 26GHz spectrum band as part of Ofcom's statement on mmWave spectrum bands for new uses. This followed the statement made on 13 March 2023. Ofcom has given a five-year notice period for spectrum management purposes. Of the current eight microwave links, four have already been replaced and two are currently in the process of being ceased. The remaining two are expected to be re-engineered to use alternative spectrum before the end of the five-year licence notice period in 2028.

*Spectrum Trading*

The WT Act allows Ofcom to make regulations authorising wireless telegraphy licence holders to transfer rights and obligations under licences which have been designated as tradeable to a third party (known as spectrum trading). Only certain types of spectrum licences have been designated as tradeable and spectrum trading does not, for example, apply to the WT Act licences that the Group holds in respect of its television and radio Multiplexes (unless selling the relevant Multiplex as well).

Spectrum trading was first introduced in the UK by the Wireless Telegraphy (Spectrum Trading) Regulations 2004, which was subsequently replaced by the Wireless Telegraphy (Spectrum Trading) Regulations 2012. The latter allows for three different types of transfer:

- outright transfers — where all rights and obligations under a licence are transferred from one party to another (so that the transferor no longer has any rights or obligations under the licence);

- concurrent transfers — where the rights and obligations under a licence are transferred on a concurrent basis (so that the transferor and transferee both share the rights and obligations under the licence); and
- partial transfers — where only some of the rights and obligations under a licence are transferred from one party to another. Partial transfers can be outright or concurrent and the transfer can be on a frequency, geographical or time basis.

The type of transfer a licensee can undertake will depend on which class the licence is in and whether that class allows for all or only some types of trade.

With spectrum trading, the transferee is granted its own WT Act licence. In 2011, spectrum leasing was also introduced. With spectrum leasing, the lease holder is not granted its own licence (as is the case with spectrum trading) but uses the licence holder's spectrum by virtue of a lease contract with the licence holder. Currently, spectrum leasing is limited to business radio area defined licences and most auction licences.

In relation to the Group's spectrum licences, the two spectrum licences that the Group acquired at auction (national licences for the 412-414 MHz and 28 GHz frequencies) are tradeable.

The Group and Airwave entered into a memorandum of understanding on 16 May 2008, under which the Group granted Airwave an option to take a lease of radio spectrum between 412-414 MHz and 422-424 MHz, which was licensed by Ofcom to the Group at the time. The Group exercised its right to call back 20 of the 80 channels in 2008 to use for electricity and gas smart metering. The Group repurchased a further 20 channels in December 2017 to provide increased capacity for the Group's smart metering contracts with the DCC and Thames Water.

With the application by Ofcom of Administered Incentive Pricing, "AIP", in 2021, the Group has continued to hold the radio spectrum between 412-414 MHz and 422-424 MHz along with Airwave and now shares the payment of the annual fee for this spectrum.

For the national 28GHz spectrum access licence, ahead of the application of an Annual Licence Fee, "ALF", by Ofcom in February 2023, the Group was granted a variation to this licence to restrict the licence to the geographical areas around three earth station gateway sites. This significantly reduced the ALF payment for this licence while allowing existing customer contracts to continue.

**Multiplex and WT Act Licences**

***Background***

Ofcom has granted the Group a number of licences under the Broadcasting Act 1996 and the WT Act, which enable the Group to carry out its terrestrial broadcast operations in both television and radio.

This section identifies the key multiplex licences held by Group companies, and sets out the expiry dates, grounds for revocation and change of control restrictions found in those licences.

Key multiplex licences held by the Group

For the purpose of this Offering Memorandum, only the key multiplex licences held by Group companies have been reviewed. These multiplex licences are typically issued under the Broadcasting Act 1996 and require a corresponding WT Act licence for the use of radio spectrum over which the multiplex is broadcast.

The key multiplex licences granted by Ofcom are as follows:

Under the Broadcasting Act 1996:

- the multiplex C licence issued to Arqiva Muxco Limited, dated 16 August 2002 and renewed on 17 February 2012 and on 19 May 2023 (the "**Multiplex C Licence**"); and

- the multiplex D licence issued to Arqiva Muxco Limited, dated 16 August 2002 and renewed on 17 February 2012 and on 19 May 2023 (the "**Multiplex D Licence**").

Under the WT Act:

- a licence issued to Arqiva Muxco Limited on 14 June 2023, having commenced on 14 June 2023, for the transmission of the digital terrestrial television multiplex service authorised by the Multiplex C Licence (the "**Multiplex C WT Act Licence**"); and

- a licence issued to Arqiva Muxco Limited on 14 June 2023, having first commenced on 14 June 2023, for the transmission of the digital terrestrial television multiplex service authorised by the Multiplex D Licence (the "**Multiplex D WT Act Licence**").

These licences were transferred from Arqiva Services Limited (now known as On Tower UK Limited) to Arqiva Muxco Limited after approval by Ofcom (or, in cases of the revocation of licences in the name of Arqiva Services Limited (now known as On Tower UK Limited), new licences were granted in the name of Arqiva Muxco Limited), as a condition to the completion of the Digital Platform BTA.

***Other licences held by the Group***

The Group also holds the following licences that are relevant to its broadcast (television and radio) operations, but which have not been reviewed as part of preparing this Offering Memorandum.

Under the Broadcasting Act 1996:

- a national commercial digital radio multiplex licence granted on 11 November 1999 to Digital One Limited (a member of the Group) by Ofcom under Part 2 of the Broadcasting Act 1996 (the "**National Radio Licence**"), which commenced on 15 November 1999, and covers services on the multiplex such as Classic FM and talkSPORT;

- a national commercial digital radio multiplex licence granted on 24 February 2016 to Sound Digital Limited (a joint venture set up by the Group, Bauer Radio and Wireless Group Media) by Ofcom under Part 2 of the Broadcasting Act 1996 (the "**Second National Radio** Licence") which commenced on 29 February 2016, and covers services on the multiplex such as Mellow Magic and talkSPORT2; and

- a number of local radio multiplex licences held under the Broadcasting Act 1996.

In relation to the two national commercial digital radio multiplex licences, Ofcom has been granted the power to renew these licences until December 2035. See *Ofcom's press release – "Commercial digital radio multiplex licences renewed until 2035"*.

For the National Radio Licence, the Group was granted a renewal of the licence until December 2035 by Ofcom in July 2023. For the Second National Radio Licence, the renewal application process has yet to be triggered.

Under the WT Act:

- a licence granted on 21 September 2011 to Digital One Limited by Ofcom for the transmission of the sounds broadcasting services authorised in the National Radio Licence;

- a licence granted on 24 September 2016 to Sound Digital Limited by Ofcom for the broadcasting of the radio multiplex service licensed in the Second National Radio Licence; and

- local radio multiplex licences under the WT Act in respect of each radio multiplex held by the Group, such as a licence granted on 14 February 2013 to Now Digital Limited by Ofcom (the "**HBB Local Radio WT Act Licence**") for the broadcasting of the radio multiplex service licensed in the HBB Local Radio WT Act Licence.

### Expiry and revocation of the key multiplex licences

#### *Expiry*

Unless revoked or surrendered:

- the Multiplex C Licence and Multiplex D Licence will expire on 31 December 2034; and
- the Multiplex C WT Act Licence and Multiplex D WT Act Licence will expire on 31 December 2034.

The Multiplex C WT Act Licence and Multiplex D WT Act Licence may also expire prior to 31 December 2034 if the corresponding licence under the Broadcasting Act 1996 is terminated.

#### *Revocation*

In relation to the Multiplex C Licence and Multiplex D Licence, Ofcom may serve a notice on the licensee for failing to comply with any licence conditions, and revoke the licences if:

- the licensee fails to take the steps to remedy the failure as set out in the notice; and
- it is in the public interest to do so.

Additionally, Ofcom may also revoke such licences by written notice if:

- the licensee ceases to provide the licensed service before the end of the relevant licence period; or
- the parties agree in writing that the licence should be revoked.

In relation to the Multiplex C WT Act Licence and Multiplex D WT Act Licence, Ofcom may revoke the licences: (a) at the request of, or with the consent of, the licensee; (b) for breach of licence conditions or non-payment of licence fees; (c) for breach of any conditions of the licence; (d) to comply with international obligations or for reasons of national security; (e) where the licensee ceases to provide the licensed service or ceases to exist; (f) to comply with a direction of the Secretary of State under certain circumstances (e.g. relating to network functions or spectrum); or (g) on 60 months' notice for reasons related to the management of the radio spectrum.

### Change of control requirements with respect to the key multiplex licences

Under the Broadcasting Act 1990, "control" is defined as:

(i) a person that holds, or is beneficially entitled to, more than 50% of the equity share capital in, or possesses more than 50% of the voting power in, the relevant body;

(ii) a person that could direct the affairs of the relevant body (even if they do not hold the interest set out in (i)); or

(iii) a person that holds, or is beneficially entitled to, 50% of the equity share capital in, or possesses 50% of the voting power in, the relevant body, and an arrangement exists between them and any other participant in the body as to how any voting power either of them have will be exercised.

### Multiplex C Licence and Multiplex D Licence

Each of the key multiplex licences issued under the Broadcasting Act 1996 (i.e. the Multiplex C Licence and Multiplex D Licence) contains a change of control provision, meaning that Ofcom could revoke the licence if there were a change of control of the licensee such that Ofcom would not issue the licence to the licensee if it were to apply for it under its new control arrangements.

In addition, Schedule 2 of the Broadcasting Act 1990 provides that the following may not control an applicant or acquire control of a licensee granted a licence under Part 1 or Part 2 of the Broadcasting Act 1996:

(i) a local authority (i.e. UK local government bodies);

(ii) a political body, a body affiliated to a political body or associates of either;

(iii) a company in which a local authority or political body (or its affiliates or associates) has more than a 5% interest;

(iv) an officer of a political body;

(v) a religious body or an officer of a religious body;

(vi) an advertising agency (including its director, officers or employees) or any of its associates; or

(vii) a publicly funded body (i.e. a body which has in its last financial year received more than half its income from UK public funds). A publicly funded body is disqualified only in relation to the radio multiplex licence (i.e. a licence granted under Part 3 of the Broadcasting Act 1990 or Part 2 of the Broadcasting Act 1996).

The Broadcasting Act 1996 licences listed above also contain provisions which require the licensee to give notice of a change of control as soon as reasonably practicable.

**Multiplex C WT Act Licence and Multiplex D WT Act Licence**

Although the Multiplex C WT Act Licence and Multiplex D WT Act Licence do not expressly contain change of control provisions, each would terminate if the corresponding licence under the Broadcasting Act 1996 were to be revoked due to a change of control, in accordance with the above.

**Fit and Proper Person Test**

As well as the explicit conditions and restrictions on change of control and the identity of licensees set out above, under section 3(3) of the Broadcasting Acts, Ofcom is subject to an ongoing duty to be satisfied that a person holding a relevant licence remains “fit and proper” to hold that licence.

In determining whether someone meets the fit and proper persons test, the central consideration is whether that person can be expected to be a responsible broadcaster. This consideration stems from Ofcom’s role as a broadcast regulator. The following items are key in considering whether a person can be expected to be a responsible broadcaster, and in turn whether a person satisfies the fit and proper persons test:

(i) how well a person has complied with regulatory standards and licence terms (i.e. a good compliance record suggests fitness and properness); and

(ii) how well a person has conducted themselves beyond the broadcasting arena (i.e. the commission of serious crime (e.g. fraud or theft) may be deemed to pose a substantial harm to an audience thereby justifying removal of a broadcasting licence.

It is also important to note that the behaviour of people who exercise material influence or control over the broadcaster (e.g. directors or shareholders), as well as the broadcaster’s own conduct, may be taken into account in Ofcom’s assessment that someone is, or is not, a fit and proper person to hold a broadcast licence.

The practical application of this test is likely to be limited, given that the current scope of the transaction is not expected to involve a change of control of the relevant licensees within the meaning of the fit and proper persons test. However, this may need to be reconsidered on a case-by-case basis in the event of any enforcement of share pledges, which are expected to be granted in the context of the transaction.

In August 2021 the DCMS concluded that the Government will give Ofcom the power to carry out an early renewal of Multiplexes 2, A, C and D until 2034 accompanied by appropriate regulatory flexibility via the inclusion of a new revocation power, which cannot take effect before the end of 2030. Multiplexes 2 and A

were renewed by D34 and SDN respectively in May 2022 until 2034. Arqiva Muxco Limited was granted the renewal of the licences for multiplexes C and D until December 2034 on 6 April 2023.

In April 2022 DCMS updated the 1996 Broadcasting Act to allow renewal of the national commercial digital radio multiplex licences until 2035. Digital One Limited has since applied for this licence renewal, and this was renewed by Ofcom in July 2023 until 31 December 2035. The Sound Digital Limited licence will be applied for when confirmed by the JV shareholders.

The Group has applied for local digital radio multiplex licences ahead of their renewal dates and Ofcom have agreed the licence renewals as they have become due. To date, all 23 licence renewals have been applied for to Ofcom and twenty two have been processed and renewed by Ofcom. The remaining one renewal application is now being processed by Ofcom and is expected to be completed during the next year.

**Digital Radio Switchover**

The Digital Economy Act 2010 gives the Secretary of State the power to nominate a date for the switch from analogue to digital radio broadcasting and sets out changes to the licensing regime to consider radio digital switchover.

The Digital Radio Action Plan launched in 2010 was finalised in November 2013 and the DCMS announced it was not yet time to commit to the switchover. The Government stated that it would undertake a review which would consider setting a date for the digital radio switchover when the following two criteria were met: when 50% of all radio listening is via digital platforms; and when national DAB coverage is comparable to FM and local DAB reaches 90% of the population and all major roads. These conditions were met and DCMS undertook a Digital radio and audio review (see https://www.gov.uk/government/publications/digital-radio-and-audio-review). It concluded and recommended that FM spectrum will be needed for BBC, commercial and community radio services at least until 2030 and that there should be no mandated switchover before that time and that DAB spectrum will be needed for national (BBC and commercial), local and small-scale services beyond 2030 and for the foreseeable future. With AM services it suggested that the BBC, Ofcom and commercial radio need to prepare for the retirement of national services. However, in October 2021, DCMS concluded that FM spectrum will be needed until at least 2030 and therefore decided against a mandated FM switch off before then. See *the Department's policy paper - "Digital radio and audio review".*

Penalties If Ofcom is satisfied that a television or commercial radio Multiplex licensee has failed to comply with a condition of the licence or a related Ofcom direction, Ofcom can require the licensee to pay a financial penalty or reduce the licence period by up to two years. The amount of any financial penalty imposed:

- in respect of a television or national radio commercial Multiplex licensee, is not to exceed the greater of £250,000 (or such other sum as the Secretary of State may specify) and 5% of the aggregate amount of the share of Multiplex revenue attributable to the licensee (as defined in the Broadcasting Acts) for its last complete accounting period falling within a period for which the licence has been in force; and
- in respect of a local radio commercial Multiplex licensee, is not to exceed £250,000.

**Future Pricing of Spectrum for Terrestrial Broadcasting**

Up to 2014, terrestrial broadcasters only paid administrative cost-based fees for their use of spectrum. Some commercial broadcasters also paid certain fees under the Broadcasting Acts that include an implicit charge for use of spectrum. In 2013, Ofcom announced a potential framework for introducing spectrum rental fees under an AIP scheme to encourage efficient spectrum use (i.e. based on the opportunity cost of the spectrum used). Currently Ofcom has charged and is expected to continue to charge administrative cost-based fees to Multiplex operators, like the Group, based on Ofcom's direct costs associated with

managing spectrum and the administration of broadcast licences. Since late 2014, Ofcom has charged operators £188,000 per national DTT Multiplex per year in such fees. These fees have been and are expected to remain modest and there was no suggestion of increased fees included in the recent renewal of the DTT multiplexing licences by Ofcom for D34 or SDN that have been completed and within the application process for the multiplex C and D licences completed by the Group in 2023.

## Site Regulation

### *Landlord and Tenant Act*

While the EC Code ended the duplication of control that has existed over several decades by providing that new EC Code leases will not benefit from security of tenure provisions in the Landlord and Tenant Act 1954 ("**1954 Act**") (see *"—Communications Act—Code Powers—Key changes to the EC Code affecting the Group"*), existing EC Code leases which enjoyed security of tenure under the 1954 Act had to be renewed one more time under the 1954 Act (whereas agreements completed after the introduction of the EC Code were simply renewable under the EC Code). When the new lease renewed under the 1954 Act is completed, it will be governed by the new EC Code and the 1954 Act will no longer apply. The 1954 Act affords a tenant under a qualifying business an automatic right to renew its lease unless the landlord successfully opposes the grant of a new lease on one of the grounds contained in section 30(1) of the 1954 Act (such as the landlord intends to occupy the premises himself or to demolish, reconstruct or carry out a substantial redevelopment of the premises). However, the 1954 Act does not apply to genuine licences (rather than agreements which are labelled licences but are, in fact, leases – the key difference being that a licensee does not have exclusive possession of the premises) and it is possible to contract out of the 1954 Act. This contrasts with the EC Code which applies to both leases and licences and cannot be contracted out of. The Product Security and Telecommunications Infrastructure Act 2022 has introduced changes to the 1954 Act, which, when brought into force, will bring it in line with the EC Code, including with regard to (i) the valuation method for determining rent under section 34 of the 1954 Act, and (ii) giving the court powers to order compensation to be paid to site providers for damage and loss incurred as a result of the exercise of any EC Code rights. In addition, the Product Security and Telecommunications Infrastructure Act 2022 widened EC Code rights for telecommunications operators to include sharing electronic communications apparatus with other operators and upgrading and sharing rights in relation to that shared apparatus.

### *Town and Country Planning Legislation*

Different planning systems operate across the four main UK jurisdictions (England, Scotland, Wales, and Northern Ireland), although the key elements are similar. Each jurisdiction requires planning permission for development and material changes of use. Development is held to mean the carrying out of building, engineering, mining or other operations, a material change in the use of a building or land and can include demolition of a building. Other consents, such as listed building consent may be required depending on the specifics of any given development.

Planning permission can be granted either on application to the local planning authority (with the right to appeal if planning permission is refused) or by the relevant General Permitted Development Order ("**GPDO**") in each jurisdiction. The GPDO is a national grant of planning permission which allows certain building works and changes of use to be carried out without having to make a full planning application. GPDOs grant certain permitted development rights (i.e., an automatic grant of planning permission) to Electronic Communications Code operators, like the Group, however, these vary across the UK and such rights are subject to certain limitations, thresholds, and conditions. For example, in England most new masts up to a height of 30 metres are permitted in undesignated areas or 25 metres in designated areas (e.g., National Parks, National Landscape Areas and conservation areas) subject to local planning authority approval on detailed siting and appearance (called "**prior approval**"), which can be refused.

Conversely, in Wales, a new mast of up to 25 metres benefits from permitted development rights subject to prior approval on unprotected land and 20 metres on protected land. Notably, in Scotland, changes to existing permitted development rights for Electronic Communications Code operators were last updated in 2021 whereby new ground-based masts up to 30 metres in height and which are outside designated areas are subject to prior approval. Similarly, Northern Ireland last updated permitted development rights for EC Code Operators in 2020 extending permitted development rights for existing installations. In each case and where planning applications are required to be made to the local planning authority, they must be determined in accordance with the relevant national and local planning policy.

These policies universally encourage mast or site sharing as the first option to explore in deploying new radio masts on the basis that the number of radio and communications masts should be kept to a minimum consistent with the needs of consumers. Support for high quality communications is unequivocal. For example, the National Planning Policy Framework (England) says that advanced, high quality and reliable communications infrastructure is essential for economic growth and social well-being where, through decision making and planning policies local planning authorities should support the expansion of electronic communications networks.

This policy requirement echoes a statutory requirement placed on EC Code operators, who include the Mobile Network Operators under the Communications Act 2003 Schedule 3A. Part 3 of the EC Code makes provision for a code operator to share the use of electronic communications apparatus, where practicable.

***Telecommunications (Security) Act 2021***

Several related requirements on industry have been enacted since 2021, in particular relating to the security of communication networks.

The requirements are not stand-alone regulations applying to their own subject matter. Rather, the three instruments apply in common, with obligations cascading from one instrument to the next as follows:

(a) the Telecommunications (Security) Act 2021 amends the Communications Act 2003 (the "**Act**"), to add overarching security duties;

(b) the Electronic Communications (Security Measures) Regulations 2022 (the "**Regulations**") sets out specific measures to be taken to meet the overarching duties under the Act; and

(c) the Telecommunications Security Code of Practice (the "Code of Practice") sets out the Government's preferred approach to demonstrating compliance with the overarching duties in the Act and specific measures in the Regulations.

***Application to a telecom's operator***

The Telecoms (Security) Act legislation passed in 2021 enabling a subsequent statutory instrument, the Electronic Communications (Security Measures) Regulations 2022 and technical guidance, the Telecommunications Security Code of Practice, to be issued (together, the "**Security Instruments**") only apply to a telecoms operator to the extent that they are a "Public Communications Provider" in respect of their networks they operate and services they provide.

Where an operator uses products of third parties, such as connectivity from Virgin Media and BT, and space segment capacity from third parties:

(d) that person would not be responsible for the obligations under the Security Instruments in respect of the third-party's network, as operation remains with the third party;

(e) however, where a person is purchasing a wholesale service from another operator and is selling this to its customers, then the Act considers that person to be providing the service itself. In this case, the relevant security obligations under the Security Instruments would apply to the services relying on the third-party network.

The legal regime under the Security Instruments is new, and the definitions of Public Electronic Communications Network, "**PECN**," and Public Electronic Communications Service, "**PECS**" are untested in respect of how they should be interpreted under this new regime. There is further, a lack of guidance given by the Government other than referring operators to the definitions in the Communications Act without any suggestion for how these definitions would be applied. Where guidance has been given, it is very high level and therefore open to interpretation. The Government has stated that it will not decide if an operator is a provider of a PECN or PECS, and this is something which operators must decide for themselves.

The Group is actively considering the various networks and services that it operates and is expecting to engage with Ofcom further on the applicability of the instruments as they are implemented in a defined timetable over the next two years.

***Media Act 2024***

The Media Act 2024, which received Royal Assent on 24 May 2024, has introduced a range of provisions to modernise broadcasting regulation and support public service broadcasters. Ofcom has set out a phased approach to implementing the Media Act, which includes measures to provide public service broadcasters with the flexibility to fulfil their remit across a range of services, provide prominence for public service broadcasters on connected devices, broaden the scope of the listed events regime to apply to public service broadcasters on-demand platforms, reduce regulatory burdens for commercial radio stations, and protect radio's position on voice-activated smart speakers. The Group will remain in dialogue with Ofcom through consultation processes on those changes brought by the Media Act that affect Arqiva's business as the regulator progresses with implementation.

## Board of Directors

The Board of Directors of the Group currently consists of an independent non executive Chairman and seven non executive members representing the shareholders of the Group along with two alternates. The Board of Directors has a programme of at least five principal meetings every year plus an additional day for strategic planning with additional meetings arranged for key projects or as may otherwise be required. The Board of Directors oversees the performance of the Group against its strategic objectives in line with authority delegated to the Board by the shareholders.

The Board of Directors is the main strategic and policy making and oversight board of the Group and oversees the executive committee, which conducts the day-to-day operations of the activities of the Group. The executive committee is made up of the CEO, CFO, CLO, CPO, CTO, Chief of Operations and Commercial Executive Directors for Media & Broadcast and Smart Utilities Networks. Information on the executive committee is set out below.

The following table sets out certain information with respect to the members of the Board of Directors as at the date of this Offering Memorandum. The address for each of the directors is Crawley Court, Winchester, SO21 2QA, United Kingdom.

| Name | Age | Position |
|---|---|---|
| Patrick Tillieux | 69 | Independent Non Executive Chairman |
| Scott Longhurst | 58 | Non Executive Director |
| David Stirton | 37 | Non Executive Director |
| Paul Donovan | 67 | Non Executive Director |
| Susana Leith-Smith | 47 | Non Executive Director |
| Michael Osborne | 44 | Non Executive Director |
| Matthew Postgate | 50 | Non Executive Director |
| James O'Halloran | 49 | Non Executive Director |
| Jonathan Carter (alternate) | 35 | Non Executive Director |
| Drummond Clark (alternate) | 32 | Non Executive Director |

### *Biographies*

*Patrick Tillieux*

Independent Non Executive Chairman

Patrick Tillieux joined the Group as Chairman in April 2025, bringing a wealth of experience from his background in media broadcasting and distribution, as well as broadcast technology and telecoms. Patrick is an independent non executive director who has held board positions in several companies related to media broadcasting and distribution, as well as broadcast technology and telecoms. He started his career as a civil works engineer at Bouygues in France. He has more than 25 years of C-level management experience in the UK and across Europe building a track record for turning businesses around and successful business development. As an executive Patrick is the former CEO of satellite and streaming content provider OSN, former CEO of technology provider Red Bee, former COO of German broadcaster ProSiebenSat1 and former CEO of SBS Broadcasting Group. Previous positions include CEO of Canal+

Netherlands, CFO of RTL Netherlands and co-founder of Eurosport. He also serves as corporate adviser and operating partner to private equity firms.

*Scott Longhurst*

Non Executive Director

Scott Longhurst joined the Group's Board in February 2023. Scott has over 25 years of experience in Infrastructure and Utility businesses. He was formerly Group Finance Director of Anglian Water Group (AWG) and Managing Director of its non-regulated business until 2019. Prior to AWG, he was Chief Accounting Officer of TXU Corporation and CFO of its regulated electric and gas businesses. Scott also held a number of financial and commercial roles with Shell encompassing corporate, operating company and joint venture activities across Europe, the Far East and Middle East. He is currently also on the boards of FCC Aqualia S.A., EVOS BV (Audit Chair), Infinis Energy Management Limited (Audit Chair), and a Senior Adviser to Igneo Infrastructure Partners. Scott is a Fellow of the Institute of Chartered Accountants in England and Wales, and a founding member of the Accounting for Sustainability CFO Leadership Network.

*Paul Donovan*

Non Executive Director

Paul Donovan served as a non-executive director at the Group from 2018 to 2020. He returned to the Board in July 2022 following two years as Arqiva's Chief Executive Officer where he oversaw development of a new purpose, strategy, long-term plan and operating model. He has over 20 years' experience in senior roles across the technology, media and communications sectors. Between 2014 and 2016 he was CEO of Europe's leading cinema operator, Odeon and UCI Cinemas Group, leading the group transformation ahead of its sale to AMC Theatres. Before Odeon, Paul was CEO of Irish telecoms group eir, and has also held senior roles at significant global organisations, notably Vodafone, where as a member of the executive committee he led the Group's emerging markets businesses.

*Matthew Postgate*

Non Executive Director

Matthew Postgate joined the Group's Board in November 2022. Matthew has over 20 years of experience managing the impact of digital technology along with general management expertise developed within large scale, complex organisations. He was the BBC's Chief Technology and Product Officer, leading the BBC's Design & Engineering division with a global remit including developing the BBC's digital strategy and wider transformation. Prior to this role Matthew held various roles at the BBC including CTO and leading the Internet Operations function, Business Development Group and its Research & Development department. He started his career at the BBC in product management roles and was part of the leadership team that launched BBC iPlayer and was responsible for building the corporation's world leading mobile services. Before joining the BBC, Matthew worked as a consultant and start-up co-founder. He is a Non-Executive director of UK Strategic Command within the Ministry of Defence and with a media technology Scale-Up. He also provides selective advisory services supporting technology enabled businesses and digital transformation.

*Susana Leith-Smith*

Non Executive Director

Susana joined the Group's Board in May 2022. Susana was appointed by MEIF II Luxembourg Communications S.a.r.l.. She is a Senior Managing Director in Macquarie Asset Management's (MAM) Real Assets business in EMEA. Susana has a wealth of experience in capital markets. Prior to joining

MAM, Susana was at Barclays, most recently as the EME Head of Leveraged Finance and managing all transactions in the Telecoms, Media and Tech sectors.

*Michael Osborne*

Non Executive Director

Mike Osborne joined the Group's Board in November 2024. He was appointed to the Board by D9 Wireless OpCo 2 Limited. Mike is a Managing Director at InfraRed Capital Partners, the investment manager of Digital 9 Infrastructure PLC. Mike also serves as a board member of several other InfraRed portfolio companies, including High Speed One and Affinity Water. Mike began his career with Ernst & Young and then moved to Citi, where he advised on project financing, mergers and acquisitions and capital raising within the infrastructure sector, before going into equity investment with Citi Infrastructure Investors and subsequently Corsair Capital. Mike was previously a board member of Kelda Holding and its regulated subsidiary, Yorkshire Water Services, and Itínere Infraestructuras, a toll road platform in Spain.

*James O'Halloran*

Non Executive Director

James O'Halloran joined the Group's Board in December 2024. He was appointed to the Board by D9 Wireless OpCo 2 Limited. James is a Partner at Infrared Capital Partners, the investment manager of Digital 9 Infrastructure PLC. James has previously served on the board of various portfolio companies, including High Speed 1. James has more than 25 years of infrastructure experience, covering investment M&A, investment trusts, asset management and portfolio management. He has a wealth of experience across a range of investment strategies and sectors including digital, utilities, energy transition and transportation.

*David Stirton*

Non Executive Director

David joined the Group's Board in February 2025 having served as an alternate director since February 2023. David was appointed by Conyers Trust Company (Cayman) Limited in its capacity as trustee of the IFM Global Infrastructure Fund. David is a Director in IFM Investors' infrastructure investment team and represents IFM on the Boards of the Group and Anglian Water. He has worked with a number of IFM's portfolio companies including Manchester Airports Group, the M6toll and Naturgy. At IFM, David researches and prepares infrastructure investment strategies and helps execute transactions. Prior to joining IFM, David was an analyst at Citigroup in its investment banking division, advising on a range of transactions including mergers, acquisitions, divestitures, capital raisings and restructurings.

***Executive committee (comprising the Senior Management Team)***

The following table sets out certain information with respect to the executive committee of the Group as at the date of this Offering Memorandum. The address for each of these committee members is Crawley Court, Winchester, SO21 2QA, United Kingdom.

| Name | Age | Position |
|---|---|---|
| Shujauddin Khan | 48 | Chief Executive Officer |
| Nathan Hodge | 52 | Interim Chief Financial Officer |
| Sarah Jane Crabtree | 52 | Chief People Officer |
| Nicola Phillips | 43 | Chief Legal Officer and Company Secretary |
| Gaurav Jandwani | 47 | Executive Director—Media & Broadcast |

| | | |
|---|---|---|
| Mike Smith | 50 | Executive Director—Smart Utilities Networks |
| Dom Wedgwood | 47 | Chief Technology Officer |
| Mark Steele | 53 | Chief of Operations |

***Biographies***

*Shuja Khan*

Chief Executive Officer

Shuja was appointed as Arqiva's Chief Executive Officer in June 2022. Prior to this, he was Arqiva's Chief Commercial Officer. He draws on more than 20 years of leadership experience in the technology, media and communications sector, including the Chief Commercial Office across 24 territories at Cable & Wireless and various leadership roles at both Virgin Media and Liberty Global Europe focusing on driving growth. Shuja initially qualified as a Chartered Accountant with Deloitte before moving into management consultancy advising a cross section of media and telecoms clients including the BBC on strategy and operational transformation.

*Nathan Hodge*

Interim Chief Financial Officer

Appointed in 2025, Nathan is an accomplished finance leader with a track record of driving change and performance. He joined the Group in 2006 and has developed a deep understanding of both the business and the finance agenda, having held numerous divisional leadership roles across Broadcast, Media, Telecoms and Utilities sectors, with previous experience in energy and finance transformation consulting. Prior to this interim appointment, Nathan held the position of Director of Group Finance where he was responsible for the Group's financing, transacting, accounting, reporting and compliance. He has led transformational change in complex, high-profile businesses and played a pivotal role in the £2bn sale of Arqiva's Telecoms business.

*Sarah Jane Crabtree*

Chief People Officer

Sarah Jane joined the Group as Chief People Officer in October 2022. Sarah Jane began her HR career in the Civil Service as HR consultant for the Cabinet Office and 10 Downing Street. She joined the Group after 17 years with BT where she held a number of senior HR roles including HR Director BT Organisation Effectiveness, responsible for BT Group's people strategy and policies encompassing culture, operating model and organisation design, strategic workforce management, leadership and development, engagement and diversity and inclusion. Her roles also included HR Director for EE after its acquisition by BT and HR Director for BT Consumer (including BT Consumer, EE and Plusnet).

*Nicola Phillips*

Chief Legal Officer and Company Secretary

Nicola joined the Group in July 2023 from Parker-Meggitt (a company delivering products and services in aerospace, defence and energy markets), where she was Deputy General Counsel (UK & EMEA) & Director of Legal Operations. Previously she held numerous legal roles within ITV, including the Director of Legal for ITV Commercial & Group Marketing from 2018 to 2021. She started her legal career at Dentons.

*Gaurav Jandwani*

Executive Director – Media & Broadcast

Gaurav joined the Group in January 2023 as Executive Director, Media & Broadcast, responsible for the commercial relationships with the Group's broadcast customers across the globe. Prior to the Group, Gaurav was Business Head, TV & Streaming at Telia, the Nordic and Baltic media house, and leading telecommunications provider. He has also held senior roles at Walt Disney and Vodafone.

*Mike Smith*

Executive Director – Smart Utilities Networks

Mike joined the Group in February 2023. Mike has delivered across a number of leadership roles spanning commercial, operational and general management. Previously, he led the Enterprise and Public Sector business at Virgin Media O2, and before that was Managing Director of Virgin Media Business - Direct. His career began in Insurance, then Banking Services before spending the last 20 years in telecoms spanning Energis, Cable & Wireless and Virgin Media. Mike is a member of the Chartered Institute of Management Accountants.

*Dom Wedgwood*

Chief Technology Officer

Appointed June 2023, Dom Wedgwood leads the technology function. Dom joined the Group from the live and on-demand global sports streaming platform, DAZN Group, where he was Senior Vice President for Broadcast Technology and OTT Playback Experience. Responsible for end-to-end accountability for the product management and technology teams across broadcast, network and streaming. Prior to this he was Broadcast Operations and Technology Director for Perform Group, managing services for sports rights holders and federations.

Mark Steele

Chief of Operations

Mark was appointed as Chief of Operations in 2024, Mark joined the Group in 2015 and prior to his appointment, held the position of Director of Field Operations. His career of over 25 years includes numerous senior leadership roles, both on- and off-shore, across all service management disciplines at businesses such as Virgin Media, Telewest Broadband and Yorkshire Electricity.

## Compensation of Senior Management

For the financial years ended 30 June 2024, 2023 and 2022, the aggregate compensation paid to Arqiva's senior management team was £6.6 million, £7.4 million and £4.7 million, respectively (in each case including National Insurance contributions, cash compensation for salary, bonuses, pensions and other benefits). Excluding amounts paid in relation to compensation for loss of office, the aggregate compensation paid was £6.4 million, £7.0 million and £4.5 million, respectively. The change in compensation reflects a restructuring of the Management Board and new appointments made to the Management Board throughout the period. Of the eight members of the executive committee listed above, three had joined the Group by 30 June 2022, a total of six had joined by 30 June 2023 and a total of eight had joined by 30 June 2024.

## Corporate Governance

There are four sub-committees of the Board of Directors comprising:

(a) the Audit and Risk Committee, comprised of Scott Longhurst (Chair), Patrick Tillieux, David Stirton, Mike Osborne, Susana Leith-Smith and Paul Donovan, which has the responsibilities of handling risk management procedures and internal controls, compliance (including whistle blowing arrangements) and regulatory issues, accuracy of group financial statements, the appointment and remuneration of external auditors, and internal audit department reports to the Audit and Risk Committee;

(b) the Remuneration and Governance Committee, comprised of Scott Longhurst (Chair), Patrick Tillieux, David Stirton, Mike Osborne and Susana Leith-Smith, which has the responsibilities of overseeing the size, structure and composition (including skills, experience, independence, knowledge and diversity) of the Board of Directors to ensure that the continued leadership ability is sufficient to allow the business to compete effectively in the market and overseeing, and setting compensation parameters, rewards and bonus schemes for senior management as well as determining and overseeing reward strategies including consulting and advising on the Group-wide bonus schemes. The Committee also considers the succession planning for senior management, taking account of challenges and opportunities and skills and expertise required by the Group. Further responsibilities include reviewing the Group's diversity and inclusion policies;

(c) the Operational Resilience Committee, comprised of Paul Donovan (Chair), Patrick Tillieux, David Stirton, Mike Osborne, Susana Leith-Smith and Matthew Postgate , which has oversight of the adequacy and effectiveness of the operational resilience strategies and procedures of the Group (including principles, policies and practices adopted in complying with all relevant legal standards and regulatory requirements affecting the activities of the Group) and considering major findings of internal and external investigations on operational performance. The Committee also has oversight of operational resilience with regard to safety, health and environmental matters, security, business continuity, and sustainability;

(d) The Capital Structure Committee comprised of David Stirton (Chair), Patrick Tillieux, Mike Osborne, Susana Leith-Smith, Scott Longhurst and Matthew Postgate has responsibility for the financing strategy of the Group and oversight of material financing transactions.

### Risk Management

The Group has a strong corporate governance framework in place and also pays considerable attention to the management of risk. This includes but is not limited to:

- an established enterprise risk management policy and framework in place across the whole Group;
- risk registers which are actively maintained and managed by each business, used to capture and assess the risks faced and summarise the mitigating controls currently in place as well as describe additional controls that will be implemented to further reduce the risk exposure, and which are maintained in line with the monthly business reviews;
- a corporate level risk register, which is formally reviewed every three to four months with the CEO and the executive committee;
- a risk management update, which is presented at the Audit and Risk Committee meetings scheduled across the year; and
- an internal audit function which delivers an audit plan which is approved by the Audit and Risk Committee.

The Group has consistently demonstrated the effectiveness of its risk management approach and believes it has ensured the necessary controls and actions are in place to mitigate key risks.

## PRINCIPAL SHAREHOLDERS

The following table sets out the principal entities directly or indirectly owning at least 5% of the share capital of the Group's ultimate parent, AGL as at the date of this Offering Memorandum and the percentage of share capital held by such entities:

| Name of relevant entities | Number of shares held | Percentage of share capital (%) |
|---|---|---|
| D9 Wireless Opco 2 Limited | 314,028,405 | 48.022 |
| MEIF II Luxembourg Communications S.à r.l | 163,547,390 | 25.01 |
| Conyers Trust Company (Cayman) Limited[(1)] | 97,061,692 | 14.843 |
| Trust Company Limited[(2)] | 35,495,023 | 5.428 |
| MTAA Superannuation Fund (NTL Broadcast) Utilities Pty Limited[(3)] | 33,789,299 | 5.167 |

Notes:

(1) In its capacity as trustee of IFM Global Infrastructure Fund.

(2) In its capacity as custodian for Health Super Investments Pty Ltd in its capacity as trustee of FSS Infrastructure Trust.

(3) In its capacity as trustee of the MTAA Superannuation Fund (NTL Broadcast) Utilities Trust.

## SUMMARY OF THE TRANSACTION DOCUMENTS

*The following is a summary of certain terms of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the Transaction Documents.*

**Transaction Documents** means the Notes, the Note Trust Deed, the Agency Agreement, the Master Definitions Agreement, the Security Agreement, the Liquidity Facility Agreement, the Intercreditor Agreement, the Additional Intercreditor Agreement (as defined in "Terms and Conditions") and the Intercompany Loan Agreement.

### Note Trust Deed

Unless defined above, all capitalised terms in this section titled "Summary of the Transaction Documents—Note Trust Deed" shall have the meaning given to them in Condition 4 (Covenants).

### General

The Issuer, the Guarantors and the Note Trustee will enter into a trust deed (the "**Note Trust Deed**") pursuant to which the Notes will be constituted. The Note Trust Deed will include the form of the Notes.

The Note Trust Deed contains, amongst other things, the following provisions:

(a) the Issuer's covenant to the Note Trustee (who holds the benefit of the covenant on trust for the Noteholders) to pay the principal and interest on the Notes in accordance with the Conditions;

(b) the Issuer is at liberty from time to time (but subject always to the provisions of the Note Trust Deed) without the consent of the Noteholders to create and issue further notes having the same terms and conditions to the Notes so as to form part of the same class;

(c) requirements in relation to Global Certificates and Definitive Notes;

(d) the Guarantees given by the Guarantors as further described below;

(e) the Note Trustee's power to authorise or waive any breach or proposed breach of any of the covenants or provisions of the Note Trust Deed, the Conditions or the other Transaction Documents or determine that any Event of Default shall not be treated as such for the purposes of the Note Trust Deed, provided that the Note Trustee shall not exercise such powers conferred upon it by such provision in contravention of the Intercreditor Agreement, any express direction by an Extraordinary Resolution (as defined in the Note Trust Deed) or of a request pursuant to Condition 13.2 (*Modification and waiver*);

(f) provisions relating to meetings of Noteholders; and

(g) the appointment, retirement, removal, remuneration, indemnification and liability of the Note Trustee.

#### *Guarantees*

The Guarantors each unconditionally and irrevocably guarantee that if the Issuer does not pay any sum payable by it under the Note Trust Deed or the Notes at the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) the Guarantors will pay or procure the payment of that sum to or to the order of the Note Trustee, according to the terms of the Note Trust Deed and the Notes (as applicable).

The Guarantors each unconditionally and irrevocably agree, as an independent primary obligation, that they will pay to the Note Trustee sums sufficient to indemnify the Note Trustee and each Noteholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Note Trust Deed or the Notes not being paid on the due date or any other payment obligation of the Issuer under the Note Trust Deed or the Notes being or becoming void, voidable or unenforceable for any reason.

Each of the Guarantor's guarantee is a continuing guarantee and shall remain in full force and effect until all amounts due in respect of the Notes or under the Note Trust Deed have been paid in full. Each of the Guarantors shall be subrogated to all rights of the Note Trustee and the Noteholders against the Issuer in respect of any amounts paid by it pursuant to the Guarantee.

The Guarantors will, pursuant to the Security Agreement, secure their obligations under the Guarantees. Enforcement of the security created pursuant to the Security Agreement is subject to the Intercreditor Agreement. The payment obligations of the Guarantors in respect of the Guarantee constitute direct, secured, irrevocable and unconditional obligations of the Guarantors.

***Covenants of the Obligors***

In addition to the restrictive, information and general covenants set out in the Conditions of the Notes, so long as any Notes are outstanding, the Issuer and each Guarantor will undertake each of the following among others:

(a) **Paying Agents**: to at all times maintain Paying Agent(s) in accordance with the Conditions of the Notes;

(b) **Notification of change to parties**: to give at least 14 days' notice to the Noteholders of change to any Paying Agent, the Agent Bank, the Registrar and/or the Transfer Agent or any of their specified offices after having obtained the prior written approval of the Note Trustee;

(c) **Approval of notice to Noteholders**: to send to the Note Trustee, not less than two days prior to the date on which such notice is to be given, the form of every notice to be given to the Noteholders in accordance with the Conditions of the Notes and obtain prior written approval of the Note Trustee and promptly provide two copies of the final form of such notices to the Note Trustee;

(d) **Books of accounts**: to keep proper books of accounts and allow free access to them during business hours by the Note Trustee or a person appointed by the Note Trustee and make available the audited annual consolidated financial statements of the Parent Guarantor to the Paying Agent(s) at their specified offices for inspection by the Noteholders;

(e) **Auditors**: to cause to be prepared and certified by its Auditors or any other auditing firm of national repute, in respect of each of its financial years, accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the Market or such other stock exchange as the Notes may be listed on from time to time;

(f) **Opinions**: to give or to procure to be given to the Note Trustee such opinions, certificates, information and evidence as it shall require and in such form as it shall require, for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under the Note Trust Deed, the other Transaction Documents to which it is a party or by operation of law;

(g) **Ratings**: other than in respect of any commercially sensitive information in respect of the business of the Parent Guarantor and its Subsidiaries, to furnish, or procure that there is furnished, from time to time, any and all documents, instruments, information and undertakings that may be requested by the Rating Agencies in order to maintain the current ratings of the Notes (save that when any such document, instrument, information and/or undertaking is not within the possession or control of the Issuer, the Issuer agrees to use all reasonable efforts to furnish, or procure that there is furnished, from time to time any such documents, instruments, information and undertakings);

(h) **Listing**: to use all reasonable endeavours to maintain (or, in the case of the Guarantors, procure the Issuer maintains) the listing of the Notes for trading on the Market for as long as the Notes are outstanding (or, if such listing or trading ceases to be possible, or becomes duly onerous, then the Issuer will use its reasonable endeavours to obtain and maintain a listing of the Notes on such other exchange as agreed by the Noteholders acting by way of Extraordinary Resolution;

(i) **Centre of main interests:** in the case of the Issuer only, the Issuer has no "establishment", as that term is used in Article 2(10) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) as it forms part of domestic law of the United Kingdom by virtue of the EUWA or branch office in any jurisdiction other than the United Kingdom, no subsidiaries, no employees and no premises;

(j) **Further assurance**: so far as is permitted by applicable law, to at all times execute all such further documents and do all such acts and things as may be necessary at any time or times in the reasonable opinion of the Note Trustee to give effect to the Note Trust Deed and other Transaction Documents; and

(k) **Set-off**: to pay moneys payable by it to the Note Trustee without set-off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by UK law pay such additional amount as will result in the payment to the Note Trustee of the full amount which would otherwise have been payable by it to the Note Trustee under the Note Trust Deed.

***Governing Law***

The Note Trust Deed (and any non-contractual obligations arising out of or in connection with it) will be governed by English law.

**Intercompany Loan Agreement**

The Issuer and AF No 2 will enter into an intercompany loan agreement under which all proceeds of issuance of the Notes will be on-lent by the Issuer (in such capacity, the "**Intercompany Lender**") to AF No 2 (in such capacity, the "**Intercompany Borrower**") (the "**Intercompany Loan Agreement**" and the loans by the Intercompany Lender to the Intercompany Borrower thereunder, the "**Intercompany Loans**").

The Intercompany Loans will correspond to the principal amount of the Notes such that the economic terms of the Intercompany Loans match the economic terms of the corresponding Notes. The business of the Intercompany Borrower demonstrates the capacity to produce funds to service any payments due and payable under the Intercompany Loan Agreement.

***Intercompany Loans***

Subject to the Issuer Profit Amount, each Intercompany Loan is structured and tranched to match the tenor, interest rate and payment dates of the corresponding Notes. In addition to the interest payable on each interest payment date, the Intercompany Borrower will pay to the Issuer (in its capacity as the Intercompany Lender) an amount to cover the Issuer's profit (the "**Issuer Profit Amount**").

The Intercompany Loans to be made by the Issuer under the Intercompany Loan Agreement will be in amounts and at rates of interest corresponding to amounts and rates applicable to the Notes and will have interest periods which match the Interest Periods for such Notes. Interest on each Intercompany Loan made under the Intercompany Loan Agreement will accrue from the date of such Intercompany Loan. In addition, each Intercompany Loan will be repayable on the corresponding repayment date(s) in respect of the Notes.

***Redemption for tax reasons, illegality or other reasons***

If:

(a) the Intercompany Borrower would on the next Interest Payment Date be required to pay additional amounts due to withholding tax applying in respect of payments to be made under the Intercompany Loan Agreement in respect of any Intercompany Loan corresponding to the Notes; or

(b) by reason of a change in law, it has become or will become unlawful for the Issuer (in its capacity as Intercompany Lender) to make, fund or allow to remain outstanding all or any of the Intercompany

Loans corresponding to the Notes made or to be made by it under the Intercompany Loan Agreement,

then the Issuer may, whilst such circumstance continues, give AF No 2 (in its capacity as Intercompany Borrower) not more than 15 days' nor fewer than 10 days' prior notice (which notice shall be irrevocable) of the requirement on AF No 2 (in its capacity as Intercompany Borrower) to prepay the whole (and not part) of such Intercompany Loans which are or will be subject to such withholding or have become or will become unlawful.

***Fees***

In consideration for the Issuer agreeing to make the Intercompany Loans available under the Intercompany Loan Agreement, the Intercompany Borrower will agree to pay to the Issuer (as Intercompany Lender) the fees set out in the Intercompany Loan Agreement.

Prior to the Issue Date, the Intercompany Borrower shall pay on behalf of the Issuer by way of the initial fee (the "**Initial Facility Fee**") any costs, losses or expenses of the Issuer reasonably incurred in connection with the issue of Notes (including, *inter alia*, the fees and expenses of the Note Trustee, the Security Trustee and the Issuer's legal advisers, accountants and auditors).

After the Issue Date, the Intercompany Borrower will pay periodically an ongoing facility fee (the "**Ongoing Facility Fee**") which shall meet the costs, losses and expenses of the Issuer in respect of amounts owed to, *inter alios*, the Note Trustee, the Security Trustee (and any receiver appointed by the Security Trustee), the Principal Paying Agent, the Paying Agents, the Agent Bank, the Registrar, the Transfer Agent and the Issuer's legal advisers, accountants and auditors (in each case, to the extent not covered by the Initial Facility Fee). Any accrued but unpaid Ongoing Facility Fee will be paid at the same time as the repayment of any Intercompany Loan.

***Event of Default***

The Issuer's obligations to repay principal and pay interest on the Notes are intended to be met primarily from the payments of principal and interest received from AF No 2 (in its capacity as the Intercompany Borrower) under the Intercompany Loan Agreement. Failure of the Intercompany Borrower to repay an Intercompany Loan will be a default under the Intercompany Loan Agreement, although it will not, of itself, constitute an Event of Default.

***Governing Law***

The Intercompany Loan Agreement (and any non-contractual obligations arising out of or in connection with it) will be governed by English law.

***Agency Agreement***

The Agency Agreement will be entered into between the Issuer, the Guarantors, the Principal Paying Agent, the Agent Bank, the Registrar, the Paying Agents, the Transfer Agent and the Note Trustee (the "**Agency Agreement**"). The Agency Agreement includes, amongst other things the following provisions:

(a) the duties of the Principal Paying Agent and the terms on which they are appointed, or on which such appointment may be resigned or terminated or any successor Principal Paying Agent may be appointed;

(b) the duties of each Paying Agent and the terms on which they are appointed, or on which such appointment may be resigned or terminated or any additional or successor Paying Agent may be appointed;

(c) the duties of the Transfer Agent and the terms on which it is appointed, or on which such appointment may be resigned or terminated or any additional or any successor Transfer Agent may be appointed;

(d) the duties of the Registrar and the terms on which it is appointed, or on which such appointment may be resigned or terminated or any successor Registrar may be appointed;

(e) the duties of the Agent Bank and the terms on which it is appointed, or on which such appointment may be resigned or terminated or any additional or any successor Agent Bank may be appointed;

(f) indemnity by the Issuer (failing whom, the Guarantors) of each of the agents against any liabilities which it may properly incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under the Agency Agreement, except for any liabilities resulting from the Agent's own wilful default, gross negligence or fraud;

(g) transfer to an account specified by the Principal Paying Agent of payments by the Issuer (failing whom, the Guarantors) on each date on which any payment in respect of any Note becomes due under the Conditions;

(h) to pay or cause to be paid by each Paying Agent payments of all amounts due in respect of the Notes on behalf of the Issuer (and each Guarantor) in the manner provided in the Conditions;

(i) provisions under which the Principal Paying Agent shall notify each of the other Paying Agents, the Registrar and the Note Trustee immediately: (a) if it has not by the relevant date received unconditionally the full amount in the relevant currency required for a payment in respect of the Notes; and (b) if it receives unconditionally the full amount of any sum payable in respect of the Notes after that date;

(j) provisions relating to completing, authenticating and delivering Global Certificates (as applicable) and (if required) authenticating and delivering Definitive Notes;

(k) provisions relating to the exchange of a Global Certificate for a Definitive Note;

(l) the keeping of records of the payment, redemption, replacement, cancellation and destruction of Notes; and

(m) the fees and expenses of the agents.

***Governing law***

The Agency Agreement (and any non-contractual obligations arising out of or in connection with it) will be governed by English law.

**Security Agreement**

The Issuer and the Guarantors will enter into a security agreement (the "**Security Agreement**") with the Security Trustee in which:

(a) the Issuer will grant (a) first equitable security over (i) all amounts standing to the credit of each of the Issuer's bank accounts (the "**Issuer Security Accounts**") and debts represented thereby (for further details see "*Summary – Accounts*"); (ii) each Authorised Investment made by the Issuer; (iii) all shares of any person owned by the Issuer including dividends, interest and other distributions payable in respect thereof and all other rights related thereto; (iv) any loan made by the Issuer to another member of the Group; and (v) all present and future book or other debt owned by the Issuer; and (b) a first floating charge of the whole of the undertaking, property, assets and rights (present and future) of the Issuer; and

(b) each Guarantor will grant (a) first equitable security over (i) all amounts standing to the credit of each of that Guarantor's bank accounts (the "**Guarantors Security Accounts**" and together with the Issuer Security Accounts, the "**Security Accounts**") and debts represented thereby (for further details, see *Summary – Accounts*"); (ii) each Authorised Investment made by that Guarantor; (iii) all shares of any person owned by that Guarantor including dividends, interest and other distributions

payable in respect thereof and all other rights related thereto; (iv) any loan made by that Guarantor to any member of the Group; and (v) all present and future book or other debt owned by that Guarantor; and (b) a first floating charge of the whole of the undertaking, property, assets and rights (present and future) of that Guarantor.

***Governing Law***

The Security Agreement (and any non-contractual obligations arising out of or in connection with it) will be governed by English law.

**Intercreditor Agreement**

To establish the relative rights of certain creditors under the financing arrangements, an Intercreditor agreement will be entered into by, amongst others, Arqiva Financing No 3 PLC ("**AF3**"), the Issuer, the Guarantors, HSBC Bank plc as the Liquidity Facility Agent and Deutsche Trustee Company Limited as the Security Trustee and the Note Trustee (the "Intercreditor Agreement").

The Intercreditor Agreement governs the relationships and relative priorities among:

(a) prior to the date on which the liabilities under the Liquidity Facility Agreement are fully discharged (the "**Liquidity Facility Lender Discharge Date**"), the lenders under the Liquidity Facility Agreement and after the Liquidity Facility Lender Discharge Date, the lenders under any other and future credit facility (each a "**Credit Facility**") made available to a member of the Group where the relevant creditors under such credit facility have acceded to the Intercreditor Agreement (the "**Credit Facility Lenders**" and together with the creditor representatives in relation to such credit facility and each arranger under such credit facility, the "**Credit Facility Creditors**") (the Liquidity Facility Agreement together with the documents evidencing such credit facilities, the "**Credit Facility Documents**");

(b) parties that accede to the Intercreditor Agreement as super senior hedge counterparties to certain hedging agreements (the "**Super Senior Hedging Agreements**") (the "**Super Senior Hedge Counterparties**", and together with the Credit Facility Creditors, the "**Super Senior Creditors**");

(c) the holders of the Notes (together with the Note Trustee, the "**Senior Note Creditors**") and the other creditor representatives, arrangers, noteholders and lenders under and in relation to any other documents evidencing any other and future *pari passu* debt liabilities (together with the Senior Note Creditors, the "**Pari Passu Debt Creditors**") (the Note Trust Deed, the Notes, the Transaction Security documents, the Guarantees, the Intercreditor Agreement (together, the "**Senior Note Documents**") and all documents evidencing all such pari passu debt liabilities, together being the "**Pari Passu Debt Documents**");

(d) parties that accede to the Intercreditor Agreement as *pari passu* hedge counterparties to certain hedging agreements (the "**Pari Passu Hedging Agreements**", and together with the Super Senior Hedging Agreements, the "**Hedging Agreements**") (the "**Pari Passu Hedge Counterparties**", and together with the Pari Passu Debt Creditors, the "**Pari Passu Creditors**") (the Super Senior Hedge Counterparties and the Pari Passu Hedge Counterparties together being the "**Hedge Counterparties**");

(e) certain intra-group creditors and debtors; and

(f) the Security Trustee.

In connection with the issuance of the Notes, the Note Trustee on behalf of the holders of the Notes, the Issuer and each other Obligor became parties to the Intercreditor Agreement. The Parent Guarantor and the Obligors are referred to in this description as the original debtors, and together with any other member of the Group which accedes to the Intercreditor Agreement, (the "**Debtors**".)

The Intercreditor Agreement sets forth, among other things:

- the relative ranking of certain indebtedness of, and security interests over certain assets and property granted by, the Debtors (such security, the "**Transaction Security**");
- when payments can be made in respect of certain indebtedness of the Debtors;
- the terms pursuant to which certain indebtedness will be subordinated;
- when enforcement action can be taken in respect of that indebtedness;
- when Transaction Security and guarantees may be released to permit a sale or disposal of any assets subject to Transaction Security;
- turnover provisions; and
- the order for applying proceeds from enforcement action and other amounts received by the Security Trustee.

The following description is a summary of certain provisions contained in the Intercreditor Agreement. It does not restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the description that follows, defines your rights as holders of the Notes. For the avoidance of doubt, by accepting a Note, the relevant holder thereof shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

***Ranking and Priority***

*Ranking and Priority of Liabilities*

The Intercreditor Agreement provides that the liabilities of the Debtors in respect of the Credit Facility Documents (the "**Credit Facility Liabilities**"), the Hedging Agreements (the "**Hedging Liabilities**") and the Pari Passu Debt Documents (the "**Pari Passu Debt Liabilities**") rank in right and priority of payment pari passu and without any preference between them.

The Intercreditor Agreement also provides that certain intra-group claims and investor debt consisting of liabilities owed to certain shareholders of the Issuer are subordinated to the Credit Facility Liabilities, the Hedging Liabilities and the Pari Passu Debt Liabilities.

*Ranking and Priority of Transaction Security*

The Intercreditor Agreement provides that the Transaction Security shall rank and secure the Credit Facility Liabilities, the Hedging Liabilities and the Pari Passu Debt Liabilities (subject to the terms of the Intercreditor Agreement) pari passu and without preference between them (but only to the extent that such Transaction Security is expressed to secure such liabilities), subject to certain conditions and processes. See "*Use of Proceeds and Refinancing Mechanics*" and the Risk Factor entitled "*The Notes will be temporarily unsecured due to the refinancing mechanics*".

Under the Intercreditor Agreement, all proceeds from enforcement of the Transaction Security are applied as provided below under "—Application of Proceeds".

***Permitted Payments***

The Intercreditor Agreement permits, inter alia,

(a) in respect of Credit Facility Liabilities, Debtors to make payments at any time in accordance with, and subject to the provisions of, the Credit Facility Documents;

(b) in respect of the Pari Passu Debt Liabilities, Debtors to make payments at any time in accordance with, and subject to the provisions of, the Pari Passu Debt Documents;

(c) in respect of the Hedging Liabilities, Debtors to make payments then due to the Hedge Counterparty under any Hedging Agreement:

(i) if the payment is a scheduled payment arising under the relevant Hedging Agreement;

(ii) to the extent the relevant Debtor's obligation to make the payment arises as a result of, among others, the provisions in the Hedging Agreements relating to deduction or withholding for tax, default interest and expenses;

(iii) to the extent the relevant Debtor's obligation to make the payment arises from a non-credit related hedge close-out;

(iv) to the extent the relevant Debtor's obligation to make a payment arises from a credit related hedge close-out or a permitted automatic early termination event under the relevant Hedging Agreement as a result of an event relating to the Debtor and no default is continuing at the time of the payment or would result from the payment;

(v) to the extent that no default is continuing or would arise from the payment and the relevant Debtor's obligation to make the payment arises as a result of a close-out or termination arising as a result of certain provisions in the Hedging Agreements relating to bankruptcy and the event of default has occurred under the Hedging Agreement with respect to the relevant Hedge Counterparty; and

(vi) if the Majority Super Senior Creditors and the Majority Pari Passu Creditors give prior consent to the payment being made.

(d) payments to lenders under any intra-group loan agreements (the "**Intra-Group Liabilities**") from time to time when due under the relevant intra-group loan agreement unless an acceleration event has occurred, provided that the payments of Intra-Group Liabilities can continue to be made after an acceleration event has occurred if the Majority Super Senior Creditors and the Majority Pari Passu Creditors consent to such payment or if that payment is made to facilitate the making of permitted payments of the Credit Facility Liabilities, the Hedging Liabilities or the Pari Passu Debt Liabilities; and

(e) payments in respect of liabilities owed by any member of the Group to AF3 or any investor which is subordinated in rights of payment to the Super Senior Creditors and the Pari Passu Creditors (the "**Subordinated Liabilities**") if such payment is not prohibited by the Liquidity Facility Agreement, any other credit facility agreement, any pari passu facility agreement, the Note Trust Deed or any other pari passu note trust deed or if the Majority Super Senior Creditors and the Majority Pari Passu Creditors each consent to such payment being made.

For the purposes of the Intercreditor Agreement:

- the "**Majority Super Senior Creditors**" means the Super Senior Creditors holding in aggregate more than 66.67% of commitments under the Credit Facility Documents, any amount which has become due following the termination or close-out of any Hedging Agreement which constitutes a "**Super Senior Hedging Liability**" (being a Hedging Liability up to an agreed allocated super senior hedging amount) and, after the Credit Facility Lender Discharge Date, the amount that would be payable under any of the Hedging Agreements which constitutes a Super Senior Hedging Liability and which has not been terminated or been closed-out if the date of calculation were an early termination date under such Hedging Agreements.

- the "**Majority Pari Passu Creditors**" means, at any time, those lenders under any pari passu facility agreements (the "**Pari Passu Lenders**"), the Noteholders and any other holder from time to time of any pari passu notes (the "**Pari Passu Noteholders**") and Pari Passu Hedge Counterparties holding more than 50% of any amount which has become due following the termination or close-out of any

Hedging Agreement which constitutes a "**Pari Passu Hedging Liability**" (being a Hedging Liability which is not a Super Senior Hedging Liability) and, after the date of discharge in full of the Pari Passu Debt Liabilities, the amount that would be payable under any of the Hedging Agreements which constitutes a Pari Passu Hedging Liability and which has not been terminated or been closed-out if the date of calculation were an early termination date under such Hedging Agreements), commitments under the pari passu facility agreements, the aggregate outstanding principal amount of the Notes held by it and the aggregate outstanding principal amount of any Pari Passu Debt Liabilities (if not already captured above) in respect of which it is the creditor.

***Enforcement of Transaction Security***

*Instructions to enforce*

Either the Majority Super Senior Creditors or the Majority Pari Passu Creditors (each an "**Instructing Group**") can issue enforcement instructions to the Security Trustee. The creditor representatives (and if applicable the Hedge Counterparties) representing the Primary Creditors comprising the Majority Super Senior Creditors or Majority Pari Passu Creditors shall deliver a copy of the proposed enforcement instructions to the Security Trustee who shall promptly forward such notice to each other creditor representative and Hedge Counterparty.

*Consultation*

Promptly following receipt of a notice of enforcement instructions by all relevant parties, the creditor representative of the Super Senior Creditors (acting on the instructions of the Majority Super Senior Creditors), the creditor representative of the Pari Passu Creditors (acting on the instructions of the Majority Pari Passu Creditors) will consult in good faith with each other and with the Note Trustee and the Security Trustee for a period of 10 Business Days from the date the notice of enforcement instructions are received with a view to co-ordinating instructions to be given by the Instructing Group and agreeing in good faith an enforcement strategy (the "**Consultation Period**").

There shall be no obligation to consult (or, if the parties have agreed a proposed enforcement action, no Consultation Period or a shorter consultation period as determined by those parties shall apply):

(a) if the Transaction Security has become enforceable as a result of an insolvency in relation to any Debtor; or

(b) if the Majority Super Senior Creditors or the Majority Pari Passu Creditors determine in good faith that to enter into such consultations and thereby delay the commencement of enforcement of the Transaction Security could reasonably be expected to reduce the amount likely to be realised to a level such that the Super Senior Liabilities would not be discharged in full and in this case any instructions will be limited to those necessary to protect or preserve the interests of the Pari Passu Creditors or, as the case may be, the Super Senior Creditors on behalf of which the relevant Instructing Group is acting and the Security Trustee shall act in accordance with the instructions first received.

If following the Consultation Period, the Majority Super Senior Creditors and/or the Majority Pari Passu Creditors have agreed on an enforcement strategy, the Security Trustee shall be instructed to implement the same.

In the event that conflicting enforcement instructions have been received as at the end of or following the Consultation Period, the Security Trustee shall enforce the Transaction Security and/or refrain from enforcing the Transaction Security and/or take the relevant other enforcement action in accordance with the instructions provided by the Majority Pari Passu Creditors, provided any such instructions to enforce comply with the enforcement principles summarised in "*—Enforcement Principles*" below (the "**Enforcement Principles**") (and the Security Trustee shall be entitled to assume that any instructions for

enforcement given to it comply with the Enforcement Principles) and the terms of all instructions received from the Majority Super Senior Creditors during the Consultation Period shall be deemed revoked.

Notwithstanding the above, if: (i) the Majority Pari Passu Creditors have not either not (A) notified the Security Trustee of a determination as to the method of enforcement they wish to instruct the Security Trustee to pursue; or (B) appointed a financial adviser to assist them in making such a determination, in each case within three months of the end of the Consultation Period, (ii) the date of discharge in full of the Super Senior Liabilities (the "**Super Senior Discharge Date**") has not occurred within six months of the end of the Consultation Period or (iii) an insolvency event is continuing with respect to a Debtor, then the Security Trustee will act in accordance with the enforcement instructions received from the Majority Super Senior Creditors under the Super Senior Discharge Date has occurred.

*Exercise of Voting Rights*

Each Primary Creditor, intra-group lender, the Parent Guarantor, AF3 and any other subordinated creditor is required to cast its vote in any proposal put to the vote by or under the supervision of any judicial or supervisory authority in respect of any insolvency, pre-insolvency, rehabilitation or similar proceedings relating to any member of the Group as instructed by the Security Trustee (acting in accordance with the terms of the Intercreditor Agreement).

***Enforcement Principles***

The Security Trustee shall enforce the Transaction Security or take other action as to enforcement in such manner as the Instructing Group shall instruct (provided that such instructions are consistent with the enforcement principles) or, in the absence of any such instructions, as the Security Trustee considers in its discretion to be appropriate and consistent with the enforcement principles.

The enforcement principles are set out in a schedule to the Intercreditor Agreement and provide, among other things, that:

(a) it shall be the primary and over-riding aim of any enforcement to maximize, to the extent consistent with a prompt and expeditious realisation of value, the value realized from enforcement;

(b) to the extent the Instructing Group is the Majority Super Senior Creditors, all proceeds of enforcement are received by the Security Trustee in cash for distribution in accordance with the section below entitled "—*Application of Proceeds*";

(c) to the extent the Instructing Group is the Majority Pari Passu Creditors: (i) all proceeds of enforcement are received by the Security Trustee in cash for distribution in accordance with the section below entitled "—*Application of Proceeds*"; or (ii) sufficient proceeds from enforcement will be received by the Security Trustee to ensure that, when the proceeds are applied in accordance with the section below entitled "—*Application of Proceeds*," the Super Senior Discharge Date would occur; and

(d) on: (i) a proposed enforcement in relation to assets other than shares in a member of the Group over which Transaction Security exists, where the book value of the assets exceeds £5,000,000; or (ii) a proposed enforcement in relation to the shares in a member of the Group over which Transaction Security exists, which, in each case, is not being effected through a public auction, the Security Trustee shall, if requested by the Majority Super Senior Creditors or the Majority Pari Passu Creditors (and subject to certain exceptions), appoint a financial adviser to provide a fairness opinion in relation that enforcement.

***Release of the Guarantees and Transaction Security***

*Non-distressed Disposal*

In circumstances in which a disposal to a person outside the Group is permitted under the relevant financing documents and is not being effected: (i) at the request of an Instructing Group in circumstances where the Transaction Security has become enforceable; (ii) by enforcement of the Transaction Security; or (iii) after an acceleration event has occurred ((ii) and (iii), a Distress Event and a disposal in the circumstances of (i), (ii) or (iii), a Distressed Disposal), the Intercreditor Agreement will provide that the Security Trustee is irrevocably authorised to, among other things, release the Transaction Security or any other claim (relating to a Debt Document) over that asset and, where the relevant asset consists of shares in the capital of a member of the Group, to release the Transaction Security or any other claim (relating to a Debt Document (as defined in the Intercreditor Agreement)) over that member of the Group's property, provided that, in each case, the release of Transaction Security or such claims will only be effective upon the making of the disposal.

*Distressed Disposal*

Where a Distressed Disposal is being effected, the Intercreditor Agreement will provide that the Security Trustee is irrevocably authorised, among other things: (i) to release the Transaction Security or any other claim over the asset subject to the Distressed Disposal; (ii) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor, to release that Debtor or holding company and any subsidiary of that Debtor or holding company from all or any part of its liabilities under the Debt Documents and Transaction Security granted by that Debtor or holding company or any subsidiary of that Debtor or holding company or any claims in respect of Intra-Group Liabilities or Investor Liabilities; (iii) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or a holding company of a Debtor, the disposal of all, or any part, of certain liabilities under the Debt Documents and certain other liabilities, provided that, if it is intended that the transferee will not be treated as a Primary Creditor or secured party, the transferee will not be treated as a Primary Creditor or secured party, and, if it is intended that the transferee should be a Primary Creditor or secured party, then all, and not part only, of the liabilities owed to the Primary Creditors (other than to any creditor representative or arranger) and certain other liabilities shall be disposed of; and (iv) if the asset subject to the Distressed Disposal consists of shares in the capital of a Debtor or holding company of a Debtor, the transfer to another Debtor of all or any part of the disposed entity's obligations under Intra-Group Liabilities or other liabilities owed to a Debtor.

The net proceeds from each Distressed Disposal and each debt disposal shall be paid to the Security Trustee for application in accordance with the section below entitled "—Application of Proceeds" below.

***Effect of Insolvency Event***

After the occurrence of an insolvency event in relation to any member of the Group, any party entitled to receive a payment or distribution out of the assets of that member of the Group (in the case of a Primary Creditor, only to the extent that such amount constitutes enforcement proceeds) in respect of liabilities owed to that party shall, to the extent it is able to do so, direct the person responsible for the distribution of the assets of that member of the Group to make that distribution to the Security Trustee until the liabilities owing to the secured parties have been paid in full and the Security Trustee shall apply such distributions in accordance with the section below entitled "—Application of Proceeds".

***Turnover***

*Turnover by the Primary Creditors*

The Intercreditor Agreement will provide that if any of the Super Senior Creditors or Pari Passu Creditors (the "**Primary Creditors**") receives or recovers any enforcement proceeds except in accordance with the section below entitled "—Application of Proceeds" that Primary Creditor shall, subject to certain exceptions:

(a) in relation to receipts or recoveries not received or recovered by way of set-off: (i) hold that amount on trust for the Security Trustee (save in respect of the Liquidity Facility Agent which will hold such amounts as banker) and promptly pay that amount to the Security Trustee for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities to the Security Trustee for application in accordance with the terms of the Intercreditor Agreement; and

(b) in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Trustee for application in accordance with the terms of the Intercreditor Agreement.

*Turnover by creditors (other than the Primary Creditors)*

The Intercreditor Agreement provides that if any of the creditors (other than a Primary Creditor) receives or recovers:

(a) any payment or distribution in relation to any liability which is not either a permitted payment under the Intercreditor Agreement or made in accordance with the order of application summarised under the section below entitled "—*Application of Proceeds*";

(b) except with respect to certain set-off rights, any amount by way of set-off in respect of any liability owed to it which does not give effect to a permitted payment under the Intercreditor Agreement;

(c) except with respect to certain set-off rights, (i) any amount in relation to any liabilities after the occurrence of a Distress Event or as a result of litigation or proceedings against a member of the Group (other than after the occurrence of an insolvency event in respect of that member of the Group); or (ii) any amount by way of set-off in respect of any liabilities owed to it after the occurrence of a Distress Event, other than, in each case, except in accordance with the order of application summarized under "—*Application of Proceeds*" below;

(d) the proceeds of any enforcement of any Transaction Security, except in accordance with the order of application summarised under "—*Application of Proceeds*" below; or

(e) except with respect to certain set-off rights, any distribution in relation to any liability owed by any member of the Group which is not in accordance with the order of application summarised in "—*Application of Proceeds*" below and which is made as a result of, or after, the occurrence of an insolvency event in respect of that member of the Group,

then that creditor will, subject to certain exceptions:

- in relation to receipts or recoveries not received or recovered by way of set-off: (i) hold that amount on trust for the Security Trustee (or as banker, as applicable) and promptly pay that amount to the Security Trustee for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities to the Security Trustee for application in accordance with the terms of the Intercreditor Agreement; and

- in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that recovery to the Security Trustee for application in accordance with the terms of the Intercreditor Agreement.

***Application of Proceeds***

The Intercreditor Agreement provides that all amounts received or recovered by the Security Trustee pursuant to the sections above entitled "—Effect of Insolvency Event" and "—Turnover" or in connection with the realisation or enforcement of all or any part of the Transaction Security shall be held by the Security Trustee on trust and applied in the following order of priority:

(a) first, on a pro rata basis, in payment of:

(i) all sums (including fees, remuneration, costs, charges, liabilities, expenses and indemnity payments (including any taxes required to be paid)) owing to the Security Trustee; and

(ii) all sums (including fees, remuneration, costs, charges, liabilities, expenses and indemnity payments (including any VAT required to be paid)) owing to the Note Trustee;

(b) second, in payment to the other creditor representatives of fees, costs and expenses payable to such creditor representative for its own account;

(c) third, in payment or distribution to: (i) each creditor representative in respect of a Credit Facility on its own behalf and on behalf of the Credit Facility Creditors for which it is the creditor representative; and (ii) the Super Senior Hedge Counterparties, for application towards the discharge of: (A) the Credit Facility Liabilities (in accordance with the terms of the Credit Facility Documents) on a pro rata basis between Credit Facility Liabilities incurred under separate credit facility agreements; and (B) the Super Senior Hedging Liabilities (on a pro rata basis between the Super Senior Hedging Liabilities of each Super Senior Hedge Counterparty), on a pro rata basis between sub-paragraph (A) and sub-paragraph (B);

(d) fourth, in payment or distribution to: (i) the creditor representatives in respect of any Pari Passu Debt Liabilities on its own behalf and on behalf of the Pari Passu Debt Creditors for which it is the creditor representative; and (ii) the Pari Passu Hedge Counterparties, for application towards the discharge of: (A) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a pro rata basis between Pari Passu Debt Liabilities under separate pari passu facility agreements; and (B) the Pari Passu Debt Liabilities (in accordance with the terms of the relevant Pari Passu Debt Documents) on a pro rata basis between Pari Passu Debt Liabilities under separate pari passu note trust deeds; and (C) the Pari Passu Hedging Liabilities on a pro rata basis between the Pari Passu Hedging Liabilities of each Pari Passu Hedge Counterparty;

(e) if none of the Debtors is under any further actual or contingent liability under any Credit Facility Document, Hedging Agreement or Pari Passu Debt Document, in payment or distribution to any person to whom the Security Trustee is obliged to pay or distribute in priority to any Debtor; and

(f) the balance (if any) in payment or distribution to the relevant Debtor.

***Equalisation***

The Intercreditor Agreement will provide that if, for any reason, any of the Credit Facility Liabilities or Super Senior Hedging Liabilities (the Super Senior Liabilities) remain unpaid after the enforcement date and the resulting losses are not borne by the Credit Facility Lenders and Hedge Counterparties in the proportions their respective exposures at the enforcement date bore to the aggregate exposures of all the Credit Facility Lenders and Hedge Counterparties at the exposure date, the Credit Facility Lenders and Hedge Counterparties will make such payments from such payments among themselves as the Security Trustee shall require to put the Credit Facility Lenders and Hedge Counterparties in such a position that (after taking into account such payments) their losses are borne in those proportions.

***Option to Purchase***

Following a Distress Event, some or all of the Pari Passu Noteholders and Pari Passu Lenders shall have an option (subject to the conditions set out in the Intercreditor Agreement) to purchase all (and not only part) of the Credit Facility Liabilities.

***Consents, Amendments and Override***

Subject to certain exceptions, the Intercreditor Agreement will provide that it may be amended only with the consent of each creditor representative, the Majority Super Senior Creditors and the Majority Pari

Passu Creditors and the Security Trustee unless it is an amendment or waiver that has the effect of changing or that relates to, among other things: (i) the order of priority or subordination under the Intercreditor Agreement; or (ii) the provisions in respect of redistribution, the enforcement of Transaction Security, the application of proceeds, amendments and waivers and certain instructions provisions, which shall not be made without the consent of:

- the creditor representatives;
- the Credit Facility Lenders;
- each pari passu note trustee (the Pari Passu Note Trustee) on behalf of the Pari Passu Noteholders in respect of which it is the creditor representative;
- the Pari Passu Lenders;
- each Hedge Counterparty (to the extent the amendment or waiver would adversely affect the Hedge Counterparty); and
- the Security Trustee.

Subject to the above and certain other exceptions, no amendment or waiver of the Intercreditor Agreement may impose new or additional obligations on or withdraw or reduce the rights of any party to the Intercreditor Agreement without the prior written consent of that party.

Unless expressly stated otherwise in the Intercreditor Agreement, the Intercreditor Agreement overrides anything in the Hedging Agreements, Credit Facility Documents, Pari Passu Debt Documents, the Transaction Security documents, the Intra-Group Liabilities or the Subordinated Liabilities or any other document designated as a "**Debt Document**" (together the Debt Documents) to the contrary.

***Amendments/waivers***

The Pari Passu Creditors may amend or waive the terms of the Pari Passu Debt Documents in accordance with their terms (subject to any consent required under them), except that no amendments can be made to the amount or method of payment of interest or principal under any Pari Passu Debt Document and no amendments can be made to the Pari Passu Debt Documents if this would result in the covenants and defaults of the Pari Passu Debt Documents being more favourable to the Pari Passu Debt Creditors than the Credit Facility Documents are to the Credit Facility Creditors unless equivalent changes are made in the Credit Facility Documents.

***"Snooze you lose"***

If the Security Trustee requests any instruction from any Super Senior Creditor, such Super Senior Creditor must then provide its instructions by no later than 10 business days after the date upon which the Security Trustee made such request.

***Governing Law***

The Intercreditor Agreement is governed by English law.

**Liquidity Facility Agreement**

***General***

Arqiva Broadcast Finance Plc as borrower (the "**Liquidity Facility Borrower**") and the Liquidity Facility Borrower Arqiva Broadcast Parent Limited, Arqiva Financing No 2 Limited and Arqiva Broadcast Intermediate Limited as guarantors (the "**Liquidity Facility Obligors**") will enter into a liquidity facility agreement (the "**Liquidity Facility Agreement**", and the facility provided under the Liquidity Facility Agreement, the Liquidity Facility and the lenders of such Liquidity Facility, the "**Liquidity Facility Lenders**")

pursuant to which the Liquidity Facility Lenders agree to make the Liquidity Facility available to meet certain liquidity shortfalls.

***Purpose***

Under the terms of the Liquidity Facility Agreement, the Liquidity Facility Lenders provide a liquidity facility of up to £45,000,000 on a revolving basis, in order to service interest payable in respect of the Notes provided that the Liquidity Facility Obligors do not have otherwise freely available cash to make such payments.

***Interest rate***

Interest will accrue on any drawings under the Liquidity Facility at a rate equal to the aggregate of (i) of the margin equal to 4% per annum, and (ii) Compounded Reference Rate Terms.

***Security***

The Liquidity Facility Obligors will grant security to the Liquidity Facility Lenders under the Security Agreement as described above under “Security Agreement” to secure their obligations under the Liquidity Facility Agreement.

***Representations, covenants and events of default***

The Liquidity Facility Agreement provides for customary representations, covenants and events of default for this type of agreement, which are subject to customary materiality and grace periods, and which in the case of information covenants, general undertakings and events of default, largely mirror the corresponding provisions in the Notes. Events of default include (i) failure to pay any sum when due subject to a five business day grace period; (ii) illegality; (iii) non-payment default and cross-acceleration; and (iv) Senior Financing payment default and cross-acceleration.

***Governing law***

The Liquidity Facility Agreement is governed by and construed and enforced in accordance with English law.

## DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The information set out below does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by, the terms of such documents.

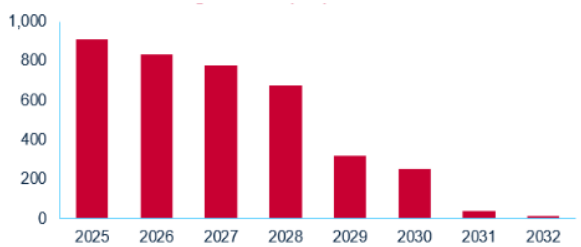
The table below sets out the key terms of the Senior Financing. Drawn amounts shown as at 30 June 2024.

| Financing | Borrower | Maturity | Facility size (£m) | Amount drawn (£m) | Cost of debt | Repayment |
|---|---|---|---|---|---|---|
| ***Senior Notes*** | | | | | | |
| Senior Bonds 2032 | Arqiva Financing plc (proceeds on lent to Arqiva Financing No 1 Limited) | December 2032 | 227 | 200 | 4.88% | Amortising |
| Senior Bonds 2037 | Arqiva Financing plc (proceeds on lent to Arqiva Financing No 1 Limited) | December 2037 (expected June 2030) | 164 | 164 | 5.34% | Bullet |
| Senior Bonds 2045 | Arqiva Financing plc (proceeds on lent to Arqiva Financing No 1 Limited) | June 2045 (expected June 2028) | 250 | 250 | 7.21% | Bullet |
| ***Senior USPP Notes*** | | | | | | |
| USPP 02 tranche..... | Arqiva PP Financing plc (proceeds on lent to Arqiva Financing No 1 Limited) | June 2029 | 152 | 133 | SONIA+2.37% | Amortising |
| USPP 03 tranche..... | Arqiva PP Financing plc (proceeds on lent to Arqiva Financing No 1 Limited) | December 2029 | 69 | 66 | SONIA+2.47% | Amortising |
| USPP USD tranche .. | Arqiva PP Financing plc (proceeds on lent to Arqiva Financing No 1 Limited) | June 2031 | 95[(1)] | 95 | 6.24% | Amortising |
| Senior Liquidity Facility..... | Arqiva Financing No 1 Limited | 364 day (renewable) | 150 | - | SONIA+1.30% | Revolver |
| Senior Working Capital Facility..... | Arqiva Financing No 1 Limited | July 2026 | 100 | 19 | SONIA+1.20% | Revolver |
| Senior Working Capital Facility..... | Arqiva Financing No 1 Limited | March 2028 (due to be cancelled on or about the date of this Offering Memorandum) | 35 | - | SONIA+1.20% | Revolver |

(1) – represents the original debt of $118 million at a hedged rate of USD1.24:GBP at £95.1 million

### *Senior Financing Ending Balance*

The chart below reflects the ending balance in respect of the Senior Financing. The annual balance is as of the Group's financial year-end in June.



### *Senior Working Capital Facilities Agreement*

*General*

Arqiva Financing No 1 Limited ("**AF No 1**") has entered into working capital facilities (the "**Senior Working Capital Facilities**", the agreement under which such facilities are provided, the "**Senior Working Capital Facilities Agreement**" and the providers thereof, respectively and together the "**Senior Working Capital Facilities Providers**"). The Senior Working Capital Facilities Agreement provides for the making of revolving loans ("**Senior Working Capital Loans**") of up to £100,000,000 on a committed basis under a facility agreement dated 9 July 2021 as amended and extended in an aggregate amount of £100,000,000 by an amendment agreement dated on or about the date of this Offering Memorandum, and a facility agreement of up to £35,000,000 on a committed basis under a facility agreement dated 15 December 2022, which is due to be cancelled on or about the date of this Offering Memorandum. Loans repaid may be reborrowed by AF No 1. The Senior Working Capital Facilities Providers rank as Senior Obligor Secured Creditors. Senior Working Capital Loans will be applied towards the working capital requirements of the Senior Financing Group.

*Interest Rate*

Interest will accrue on any drawing made under the Senior Working Capital Facilities at a rate equal to the aggregate of (i) the applicable margin (as specified in the Reference Rate Terms), (ii) Compounded Reference Rate for that day and (iii) mandatory costs (if any).

*Security*

The security and collateral given by AF No 1 for its obligations under the Senior Working Capital Facilities Agreement are documented under a security agreement (the "**Senior Security Agreement**") pursuant to which the Senior Obligors have created an assignment by way of first fixed charge and floating security over the Senior Obligors' assets. Any proceeds of enforcement of the security and collateral will be used in discharge of the indebtedness under the Senior Working Capital Facilities owed by AF No 1 in accordance with the STID.

*Security Trust and Intercreditor Deed*

The Security Trust and Intercreditor Deed ("**STID**") regulates among other things (i) the claims of the Senior Obligor Secured Creditors, (ii) the exercise of acceleration and enforcement rights of the Senior Obligor Secured Creditors, (iii) certain entrenched rights and reserved matters of the Senior Obligor Secured Creditors and (iv) the giving of instructions, consents and waivers and, in particular, the basis on which votes of the Senior Obligor Secured Creditors will be counted.

*Maturity and Prepayment*

The Senior Working Capital Facilities will mature in June 2028 with an option to extend the maturity under the Senior Working Capital Facilities Agreement by one year, up to two times.

AF No 1 may voluntarily prepay the Senior Working Capital Facilities, in whole or in part, save that if AF No 1 prepays in part, a minimum amount is payable. AF No 1 also has a right of cancellation and repayment in relation to a single Senior Working Capital Facilities Provider in the event of change in tax position or such lender becoming a defaulting lender.

*Representations, covenants and events of default*

The representations, negative and affirmative covenants, financial covenants and events of default given in favour of the Senior Working Capital Facilities Providers by AF No 1 are set out in the Common Terms Agreement. Please see *"—Common Terms Agreement*" below.

*Governing Law*

The Senior Working Capital Facilities Agreement is governed by and construed and enforced in accordance with English law.

***Senior Liquidity Facility Agreement***

*General and Purpose*

AF No 1 and the Senior Issuer entered into a liquidity facility (the "**Senior Liquidity Facility**" and the agreement under which such facility is provided, the "**Senior Liquidity Facility Agreement**" and the providers thereof, the "**Senior Liquidity Facility Providers**") pursuant to which the Senior Liquidity Facility Providers agreed to make the Senior Liquidity Facility available to meet certain liquidity shortfalls from November 2016, as most recently amended and restated in July 2021.

Under the terms of the current Senior Liquidity Facility Agreement, the Senior Liquidity Facility Providers provide a renewable 364-day facility on a renewable basis for 25 years in an aggregate amount equal to £150 million to permit drawings to be made by AF No 1 and the Senior Issuer (as applicable) to enable AF No 1 to service interest and scheduled principal due on the Senior Borrower Bank Facilities and the Senior Issuer to service interest and scheduled principal on the Senior Notes (as applicable), together with certain senior ranking expenses owed to other transaction parties, in the event of there being insufficient cash flow received by either AF No 1 or the Senior Issuer.

*Interest Rate*

Interest will accrue on any drawings under the Senior Liquidity Facility at a rate equal to the aggregate of the (i) margin (as specified in the Reference Rate Terms), (ii) Compounded Reference Rate for that day and (iii) mandatory costs (if any). In relation to each drawing outstanding for six months or more, the margin will increase by 0.5% per annum at the end of each six-month period from the date of such drawing.

*Security*

The security and collateral given by AF No 1 for its obligations under the Senior Liquidity Facility Agreement will be under the Senior Security Agreement. Proceeds of enforcement of the security and collateral will be used in discharge of the indebtedness under the Senior Liquidity Facility owed by AF No 1 in accordance with the STID.

*Events of Default*

The Senior Liquidity Facility Agreement provides for customary events of default for this type of agreement, which are subject to customary materiality and grace periods, including: (i) failure to pay any sum when due subject to a five business day grace; (ii) illegality; and (iii) cross acceleration (with respect to AF No 1 only) or enforcement of the Senior Notes (with respect to the Senior Issuer).

*Governing Law*

The Senior Liquidity Facility Agreement is governed by and construed and enforced in accordance with English law.

***Senior Issuer/Borrower Loans***

All loans made or to be made by Senior Issuer under the Senior Issuer/Borrower Facilities Agreement (the "**Senior Issuer/Borrower Loans**") are or will be in amounts corresponding to amounts of the Senior Notes (taking into account any Issuer Hedging Agreement) and will have interest periods and maturity which match the interest periods and maturity of the corresponding Senior Notes. Interest on each Senior Issuer/Borrower Loan made under the Senior Issuer/Borrower Facilities Agreement will accrue from the date of such Senior Issuer/Borrower Loan.

*Fees*

In consideration for the Senior Issuer agreeing to make the Senior Issuer/Borrower Loans available under the Senior Issuer/Borrower Facilities Agreement, AF No 1 agreed to pay to the Senior Issuer initial and on-going facility fees set out in the Senior Issuer/Borrower Facilities Agreement.

AF No 1 pays periodically, including on each interest payment date and any other date notified to AF No 1 by the Issuer, ongoing fees (the "**Senior Issuer/Borrower Facilities Fee**") which shall meet the costs and expenses of the Senior Issuer in respect of amounts owed to, inter alia, the security trustee appointed under the Senior Issuer Deed of Charge (and any receiver appointed by it) and the Senior Issuer's legal advisers, accountants and auditors and to cover Senior Issuer's profit (out of which Senior Issuer will pay its tax).

*Secured obligations*

The obligations of AF No 1 under the Senior Issuer/Borrower Facilities Agreement are secured pursuant to the Senior Security Agreement and such obligations are guaranteed by each other Senior Obligor in favour of the Senior Obligor Security Trustee, who holds the benefit of such security and guarantees on trust for the Senior Obligor Secured Creditors on the terms of the STID.

***Senior Notes***

*General*

As at the date of this Offering Memorandum, the Senior Issuer has issued one class of secured notes of £250,000,000 due 2045 (the "**Series 2045-1 Notes**") and will issue further secured notes from time to time in each case under a trust deed between, amongst others, the Senior Issuer and the note trustee (the "**Senior Note Trustee**", acting under the "**Senior Note Trust Deed**").

The Senior Notes constitute secured obligations of the Senior Issuer and rank pari passu without preference or priority in right of payment and point of security amongst themselves.

*Interest Rate*

The Senior Notes are interest-bearing and interest is calculated on the outstanding principal amount of such Senior Notes. The interest payable on the Senior Notes will be equal to 4.882% for the Senior Notes due 2032, 5.340% for the Senior Notes due 2037 and 7.210% for the Senior Notes due 2045. Interest in respect of the Senior Notes will be payable in arrear.

*Redemption Provisions*

The Senior Issuer will be required to apply any voluntary or mandatory prepayments of the Senior Issuer/Borrower Loans in redeeming the corresponding Senior Notes.

In the event that the Senior Issuer is able to satisfy the Senior Note Trustee of the existence of certain specified circumstances, including in relation to withholding tax or a change in law resulting in the issue of the Senior Notes being illegal, the Senior Notes may be redeemed.

*Security*

The Senior Notes will benefit from security granted by the Senior Issuer over its assets (including its rights under the Common Terms Agreement and the STID) in favour of a security trustee acting on behalf of the secured creditors of the Senior Issuer (including the holders of the Senior Notes) by way of a deed of charge (the "**Senior Issuer Deed of Charge**") pursuant to which the Senior Issuer will create:

(a) an assignment by way of first fixed security of all the rights of the Senior Issuer under each Senior Transaction Document it is a party to (other than any trust documents);

(b) a first fixed charge over all of the rights in the Senior Issuer's liquidity and other accounts;

(c) a first fixed charge over all rights of the Senior Issuer in respect of the benefit of all authorisations (statutory or otherwise) held in connection with its use of any charged property of the Senior Issuer and any compensation which may be payable to it in respect of those authorisations;

(d) a first fixed charge over all of the rights of the Senior Issuer in respect of each Authorised Investment (as defined in the Common Terms Agreement) of the Senior Issuer; and

(e) (a first floating charge over all the Senior Issuer's assets including, without limitation, the Senior Issuer's uncalled capital other than any assets at any time otherwise effectively charged or assigned by way of a fixed charge or assignment,

(the "**Senior Issuer Security**").

Proceeds of enforcement of the Senior Obligor Security will be used in discharge of the indebtedness under the Senior Notes in accordance with the STID. The STID regulates, among other things (i) the claims of the Senior Obligor Secured Creditors, (ii) the exercise of acceleration and enforcement rights of the Senior Obligor Secured Creditors (iii) certain entrenched rights and reserved matters of the Senior Obligor Secured Creditors and (iv) the giving of consents and waivers.

The Senior Note Trust Deed contains customary covenants for this type of issuance, which are subject to caveats and limitations, including covenants by the Senior Issuer (i) to promptly notify in writing to the Senior Note Trustee the occurrence of any Senior Issuer Event of Default, (ii) in relation to the provision of audited and certified accounts, (iii) not to carry out any restricted activity including the incurring of any financial indebtedness without the prior consent of the Senior Note Trustee or unless permitted under the Senior Transaction Documents and (iv) to furnish or procure all relevant information and documentation required to maintain the current ratings of the Senior Notes by the Senior Rating Agencies.

"**Senior Issuer Event of Default**" has the meaning given in Condition 10.1 (*Issuer Events of Default*) of the Senior Notes.

"**Senior Rating Agencies**" means the relevant rating agencies that are appointed by the Senior Issuer from time to time being, at the Senior Issue Date, Fitch and S&P.

"**Senior Transaction Documents**" has the same meaning as "**Transaction Documents**" for the purposes of the Common Terms Agreement.

*Events of Default*

The terms and conditions of the Senior Notes provide for customary events of default for this type of issuance, which are subject to materiality and grace periods, including: (i) failure to pay any sum when due subject to a five business day grace period for delays caused by a technical error; (ii) breach of a material covenant or a representation incapable of remedy or not remedied within 20 business days and materially prejudicial to the interests of the holders of the Senior Notes in the opinion of the Senior Note Trustee; and (iii) an insolvency event in relation to the Senior Issuer.

*Governing Law*

The Senior Notes will be governed by English law.

***US Private Placements***

*General*

In June 2013 the Senior PP Issuer issued Senior USPP Notes of USD358,000,000 due 2025 and £163,000,000 due 2025, in July 2014 the Senior PP Issuer issued Senior USPP Notes of £300,000,000 due 2029, in November 2016 the Senior PP Issuer issued Senior USPP Notes of £219,000,000 due 2029 under Senior USPP NPAs and in June 2023 the Senior PP Issuer issued Senior USPP Notes of

$118,000,000 due 2031 (the 2013, 2014, 2016 and 2023 secured private placement notes together being the "**USPP Notes**" and the holders thereof, the "**USPP Noteholders**").

The USPP notes issued in 2013 have been fully purchased by the Senior Group as part of a tender offer in 2020 (the "**2020 Tender Offer**"). The USPP Notes issued in 2014 and 2016 have been partly purchased by the Senior Group as part of the 2020 Tender Offer. The USPP Notes were each issued to the USPP Noteholders pursuant to a note purchase agreement for each issuance entered into by the USPP Issuer, the Borrower, the other Obligors and the relevant USPP Noteholders (each a "**USPP NPA**").

Under the terms of each Senior USPP NPA, in addition to the covenant to pay the Senior USPP Noteholders given by the Senior PP Issuer, the Senior Borrower (as a Senior Obligor) has covenanted to pay the Senior USPP Noteholders all principal, interest and other amounts due from the Senior PP Issuer to the Senior USPP Noteholders under the Senior USPP Notes on a pari passu basis to all other Senior Borrower Bank Facilities (the "**USPP Covenant to Pay**").

*Interest Rate*

The Senior USPP Notes are interest-bearing and interest is calculated on the outstanding principal amount of such Senior USPP Notes. The interest payable on the Senior USPP Notes will be equal to 2.10% for the Senior USPP Notes of £300,000,000 due 2029 and LIBOR, 2.20% for the Senior USPP Notes of £218,500,000 due 2029 and 6.24% for the Senior USPP Notes of $118,000,000 due 2031. Interest in respect of the Senior USPP Notes will be payable in arrear.

*Security*

The obligations of AF No 1 under each Senior USPP NPA (which includes the USPP Covenant to Pay) are secured pursuant to the Senior Security Agreement and such obligations are guaranteed by each other Senior Obligor in favour of the Senior Obligor Security Trustee, who holds the benefit of such security and guarantees on trust for the Senior Obligor Secured Creditors on the terms of the STID.

*Events of Default*

The terms of the USPP NPAs are subject to the terms of the CTA, the STID and the MDA, including in respect of the Obligor Events of Default.

*Senior PP Issuer/Borrower Loans*

The Senior PP Issuer used the proceeds from the issuance of the USPP Notes to make intercompany loans to the Borrower (the "**Senior PP Issuer/Borrower Loans**") under a loan agreement entered into between the Senior PP Issuer, the Borrower and the Obligor Security Trustee (the "**Senior PP Issuer/Borrower Loan Agreement**"), the terms of which correspond to the terms of the USPP Notes. The Senior PP Issuer/Borrower Loan Agreement has been designated as an Obligor Transaction Document and a Common Document.

Any payment by the Borrower under the USPP Covenant to Pay results in a corresponding discharge of the Senior PP Issuer/Borrower Loans.

*Governing Law*

The Senior USPP Notes are governed by English law.

Senior FinCo previously entered into term facilities and on lent the proceeds to the Senior Borrower. The term facilities entered into by Senior FinCo have since been repaid in full and terminated together with the intercompany loans between Senior FinCo and the Senior Borrower and all related hedging and security. The disclosure of the Senior Financing is this Offering Memorandum is presented on this basis. Senior FinCo does not undertake any other activities. In the event that Senior FinCo incurs any future financial indebtedness, Senior FinCo would on lend the proceeds to the Senior Borrower under an Authorised

Facility. Any Authorised Facility would be subject to the terms of the Senior Financing and Common Documents.

***Common Terms Agreement***

The Senior Issuer and the Senior Obligors, amongst others, entered into the Common Terms Agreement (the "**Common Terms Agreement**"). The Common Terms Agreement sets out the representations, warranties and covenants given by the Senior Obligors.

*Information Covenants*

The information covenants in the Common Terms Agreement will require: (i) the provision by AF No 1 of annual consolidated audited financial statements and semi-annual consolidated unaudited financial statements of the Senior Parent and annual audited financial statements of material Senior Obligors prepared in accordance with the Accounting Principles (and in the case of UK IFRS converted into UK GAAP); (ii) the publication by AF No 1 on a website accessible to investors of compliance certificates with respect to certain financial ratios and certain specific covenants; and (iii) the notification by the Senior Obligors of certain specific information (such any downgrade of the Senior Notes, the details of any litigation or proceedings, any material insurance claims and "know your customer" documents).

*Financial covenants*

The covenants given by each of the Senior Obligors include the following (subject to detailed carve-outs, exceptions and qualifications set forth in the Common Terms Agreement):

(a) Senior Historic Net Debt to EBITDA Ratio is not higher than 6.0:1;

(b) Senior Historic Cashflow DSCR is not lower than 1.05:1; and

(c) Senior Historic Cashflow ICR is not lower than 1.55:1,

(together the "**Senior Financial Covenant Ratios**").

The "**Senior Historic Net Debt to EBITDA Ratio**" will be calculated for each Test Date in respect of the Test Period ending on (and including) such Test Date as the ratio of Senior Net Debt to Senior EBITDA (calculated on a *pro forma* basis to take into account the earnings from any acquired asset from the start of such Test Period and to exclude the earnings from any asset disposed of for the entire Test Period).

The **Senior Historic Cashflow DSCR** will be calculated for each Test Date in respect of the Test Period ending on (and including) such Test Date as the ratio of Senior Cashflow to Senior Debt Service.

The **Senior Historic Cashflow ICR** will be calculated for each Test Date in respect of the Test Period ending on (and including) such Test Date as the ratio of Senior Cashflow to Senior Net Interest Payable.

The Senior Financial Covenant Ratios will be calculated for the Senior Financing Group semi-annually as at 30 June and 31 December in each year on an historical basis for the 12-month period ending on (and including) the relevant Test Date (each a "**Test Period**") commencing with the Test Date occurring on 30 June 2013.

For these purposes:

"**Capex**" means any capital expenditure by a Senior Financing Group Company (net of any associated non-refundable grants and contributions received) incurred (or, in respect of any future period, forecast to be incurred) relating to increases in capacity or enhancement of service levels, quality or security of supply in relation to a Permitted Business.

"**Maintenance Capex**" means Capex that is incurred for cost-savings purposes or to deliver productivity enhancements or that is required to maintain or repair existing infrastructure by either extending the useful life of existing fixed assets or replacing worn out and obsolete fixed assets with new ones in order to

support existing contracts, including (but not limited to) expenditure for mast-painting, replacing obsolete transmission equipment or upgrading IT hardware and software to the current standards supported by manufacturers and providers.

"**Permitted Business**" means owning and/or developing and/or operating broadcasting, media distribution and communications infrastructure, networks and spectrum and any business complimentary thereto in each case.

"**Offsetting Hedge**" has the meaning given to that term in the Common Terms Agreement.

"**Senior Borrower**" means Arqiva Financing No 1 Limited.

"**Senior Debt**" means any financial indebtedness of the Senior Financing Group that is not subordinated debt, including:

(a) under the bank facilities entered into by the Senior Borrower as permitted by the Common Terms Agreement;

(b) under the Senior PP Issuer/Borrower Facilities;

(c) under the Senior Issuer/Borrower Facilities;

(d) the capitalised values of any Finance Leases entered into by any of the Senior Financing Group; and

(e) under any Treasury Transactions (as defined in the Common Terms Agreement) (including any offsetting hedge annuity).

"**Senior Net Debt**" means, for any Test Date, the aggregate Senior Debt (excluding amounts under any Senior Hedging Agreements except to the extent as provided in paragraph (a) below) as at the Test Date (and without double counting):

(a) plus (for the avoidance of doubt) any accretion by indexation to the notional amount under any Senior Hedging Agreements and the accretion portion of any other Senior Debt;

(b) plus in respect of any Senior Hedging Agreement, the amount (if any) that is payable by the Senior Borrower to the relevant Senior Hedge Counterparty if an Early Termination Date (as defined in the Senior Hedging Agreement) has been designated on or prior to such Test Date in respect of the transaction or transactions arising under the Senior Hedging Agreement and is outstanding on such Test Date;

(c) in respect of two Senior Hedging Transactions, that are subject to and part of the same Senior Hedging Agreement, one of which is an Offsetting Hedge in respect of the other or a portion thereof, the net amount which would be payable (if any) by the Senior Borrower to the Senior Hedge Counterparty if an Early Termination Date (as defined in the Senior Hedging Agreement) were to occur on such date with respect to both such Senior Hedging Transactions and with the Senior Borrower as sole Affected Party (as defined in the Senior Hedging Agreement);

(d) less the aggregate amount of any Senior Debt purchased and held by any Senior Financing Group Company;

(e) less Cash and Cash Equivalents (as each of those terms is defined in the Common Terms Agreement) held by any Senior Financing Group Company.

"**Senior EBITDA**" means, for any Test Date, the consolidated earnings of the Senior Financing Group calculated in accordance with UK GAAP during the Test Period ending on (and including) such Test Date before (without double counting):

(a) the deduction of taxation;

(b) the deduction of any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised by any member of the Senior Financing Group (calculated on a consolidated basis);

(c) the addition of interest receivable;

(d) the deduction of any amount attributable to amortisation of goodwill or other intangible assets and any deduction for depreciation or impairment;

(e) the deduction or addition (as applicable) of any non-cash charges resulting from fair value adjustments and mark-to-market adjustments;

(f) the deduction of any non-cash charges relating to long-term compensation schemes;

(g) taking into account any non-cash charges relating to recognition of pension plan deficits; and

(h) taking into account fair value gains or losses on any financial instrument other than any derivative instrument which is accounted for on a hedge accounting basis,

and after adjusting to exclude exceptional items which shall include (but not be limited to) transaction costs, integration costs, separation costs, restructuring costs, reorganisation costs and other one-off expenditure, less the consolidated earnings (before the deductions and the adjustments referred to above) of the Senior Financing Group Companies that are incorporated outside of the United Kingdom and in aggregate exceed 5% of the consolidated earnings (before the deductions and the adjustments referred to above) of the Senior Financing Group.

"**Senior Cashflow**" means, for any Test Date, Senior Net Cash Flow during the Test Period ending on (and including) such Test Date (without double counting):

(a) plus any insurance proceeds related to business interruption (where to be applied to cover operating losses in respect of which the relevant insurance claim was made) and third-party liability received by a member of the Senior Financing Group (to the extent such amounts are not subsequently paid to a third party);

(b) plus any Finance Lease payments in respect of interest payable and equivalent financial charges included in Senior Net Cash Flow; and

(c) plus any dividends or other distributions received in cash by any Senior Financing Group Company from any entity which is not a Senior Financing Group Company, including any cash receipts from partnerships and joint ventures,

in each case during the Test Period ending on (and including) such Test Date.

"**Senior Net Cash Flow**" means, for any Test Date, Senior EBITDA for such Test Date (without double counting):

(a) less the greater of Maintenance Capex during the Test Period ending on (and including) such Test Date and the Minimum Maintenance Capex Spend Amount for the Test Period ending on (and including) such Test Date (which shall be the same as the Minimum Maintenance Capex Spend Amount for each financial year);

(b) less all amounts of corporation tax paid net of any tax rebate or refund for corporation tax during the Test Period ending on (and including) such Test Date; and

(c) less all amounts of Senior Issuer Profit Amount payable during the Test Period ending on (and including) such Test Date.

"**Senior Debt Service**" means, for any Test Date, the sum of Senior Net Interest Payable during the relevant Test Period ending on (and including) such Test Date and scheduled amortisation in respect of

the Senior Debt due as an obligation of any Senior Financing Group Company during the Test Period ending on (and including) such Test Date (without double counting):

(a) excluding any principal payment due on the relevant final maturity date (other than any final scheduled repayment of fully amortising debt) of any Senior Debt; and

(b) taking into account any interim principal exchange payments that are payable and receivable under any Senior Hedging Agreements (but excluding, for the avoidance of doubt, (i) any final principal exchange payments that are payable and receivable under any Senior Hedging Agreements (other than in respect of any final scheduled repayment of fully amortising debt) and (ii) any accretions by indexation to the notional amount under any Senior Inflation Linked Hedging Agreements).

"**Senior Financing Group**" means the Senior Parent and its Subsidiaries (other than the Senior Issuer and Senior FinCo).

"**Senior Financing Group Company**" means a company in the Senior Financing Group.

"**Senior Hedging Agreement**" means a Hedging Agreement (as that term is defined in the Common Terms Agreement).

"**Senior Net Interest Payable**" means, for any Test Date, the interest, fees (including commitment fees (but excluding, for the avoidance of doubt, any Issuer/Borrower Facilities Fees, charges, commissions or equivalent finance charges that are paid or payable (excluding, for the avoidance of doubt, non-cash charges and imputed interest) or accrued as an obligation of any Senior Financing Group Company in respect of the Senior Debt during the Test Period ending on (and including) such Test Date and all Finance Lease payments in respect of interest payable and equivalent financial charges during the Test Period ending on (and including) such Test Date, but (without double counting):

(a) excluding any upfront or amortised fees or costs;

(b) excluding the fees and expenses of the Administrative Parties;

(c) excluding any break costs;

(d) excluding the mark-to-market under any Treasury Transactions;

(e) excluding any interest or equivalent finance charge accrued in respect of Financial Indebtedness between Senior Financing Group Companies;

(f) excluding any interest or equivalent finance charge on deferred income or on unwinding a discounted liability;

(g) deducting any interest or equivalent finance charge receivable by any Senior Financing Group Company (after deducting applicable withholding tax) in respect of Cash or Cash Equivalents held by such Senior Financing Group Company;

(h) before taking into account fair value gains or losses on any financial instrument other than any derivative instrument which is accounted for on a hedge accounting basis and only to the extent gains and losses in the hedged item are also included in EBITDA;

(i) excluding any interest or equivalent finance charge which is capitalised, rolled up or deferred during such Test Period; and

(j) excluding any fees, costs and expenses incurred in respect of the implementation of the refinancing of the Existing Bank Facilities and the Existing Hedges,

and taking into account any net payment or net receipt which is payable or receivable under any Hedging Agreements (including, for the avoidance of doubt, any net payment and net receipt under any Inflation Linked Hedging Agreements (but excluding, for the avoidance of doubt, any accretions paid, payable or

accruing under any Inflation Linked Hedging Agreements and any mark-to-market termination payments under any Hedging Agreements)).

"**Senior Inflation Linked Hedge**" means an Inflation Linked Hedge (as that term is defined in the Common Terms Agreement).

"**Senior Inflation Linked Hedging Agreements**" means any Inflation Linked Hedging Agreement (as that term is defined in the Common Terms Agreement).

"**Senior Issuer Profit Amount**" means £5,000 per annum in equal instalments on each Senior Issuer/Borrower Interest Payment Date, to be retained by the Senior Issuer as profit;

"**Senior Obligor**" means those Senior Financing Group Companies party to the Common Terms Agreement as an Obligor (as defined therein).

"**Senior Obligor Enforcement Notice**" has the meaning given to 'Obligor Enforcement Notice' for the purposes of the Common Terms Agreement.

"**Minimum Maintenance Capex Spend Amount**" means £15 million (RPI indexed) per financial year.

*Senior Trigger Events*

The Common Terms Agreement contains a separate category of events, the occurrence of which do not result in a default, but which do result in certain increased operational restrictions and requirements for the Senior Obligors, including the prohibition of distributions from the Senior Parent to Intermediate HoldCo (such event, a "**Senior Trigger Event**"). Those Senior Trigger Events include:

(a) either the Senior Historic Net Debt to EBITDA Ratio for the Test Period ending on (and including) the immediately preceding Test Date or the Senior Projected Net Debt to EBITDA Ratio for the Projected Test Period commencing on (but excluding) such Test Date (each as calculated for the purposes of the Senior Financial Covenant Ratios above, but subject as provided below in respect of the Senior Projected Net Debt to EBITDA Ratio) is higher than 6.50:1[1];

(b) either the Senior Historic Cashflow ICR for the Test Period ending on (and including) the immediately preceding Test Date or the Senior Projected Cashflow ICR for the Projected Test Period commencing on (but excluding) such Test Date (each as calculated for the purposes of the Senior Financial Covenant Ratios above, but subject as provided below in respect of the Senior Projected Cashflow ICR) is lower than:

  (i) up to (and including) the Test Date occurring in June 2013, 1.80:1;

  (ii) from (and including) the Test Date occurring in December 2013 to (and including) the Test Date occurring in June 2014, 1.90:1; and

  (iii) from (and including) the Test Date occurring in December 2014 to (and including) each Test Date thereafter, 2.00:1;

(c) either the Senior Historic Cashflow DSCR (together with the Senior Historic Net Debt to EBITDA Ratio and the Senior Historic Cashflow ICR, the "**Senior Historic Trigger Event Financial Covenant Ratios**") for the Test Period ending on (and including) the immediately preceding Test Date or the Senior Projected Cashflow DSCR (together with the Senior Projected Net Debt to EBITDA Ratio and the Senior Projected Cashflow ICR, the "**Senior Projected Trigger Event Financial Covenant Ratios**" and together with the Senior Historic Trigger Event Financial Covenant Ratios, the "**Senior Trigger Event Financial Covenant Ratios**") for the Projected Test

[1] Although the Senior Trigger Event occurs at this ratio, no Limited Payments can be made if either the Senior Historic Net Debt to EBITDA Ratio or the Senior Projected Net Debt to EBITDA Ratio is equal to or higher than 5.00:1.

Period commencing on (but excluding) such Test Date (each as calculated for the purposes of the Senior Financial Covenant Ratios) is lower than 1.30:1;

(d) the occurrence and continuation of an event of default affecting a Senior Obligor;

(e) the Senior Liquidity Facility is drawn;

(f) a shortfall in the amounts available to the Senior Financing Group to cover the operating expenses, capex and debt service of the Senior Financing Group; and

(g) the auditors qualify or restate their report on any audited financial statements of a Senior Obligor so it is no longer a going concern.

The "**Senior Projected Net Debt to EBITDA Ratio**", the "**Senior Projected Cashflow DSCR**" and the "**Senior Projected Cashflow ICR**" for the purposes of the Senior Trigger Events above will be calculated on the same basis as the Senior Historic Net Debt to EBITDA Ratio, the Senior Historic Cashflow DSCR and the Senior Historic Cashflow ICR respectively for each Test Date for the 12 months commencing on (but excluding) the relevant Test Date (each a "**Projected Test Period**") commencing with the Test Date occurring on 30 June 2013 and using management projections which shall be prepared on a consistent basis and the assumptions to which shall be updated by reference to the most recently available relevant financial information and the most recently delivered financial statements.

In the event that a Senior Trigger Event has occurred and is continuing a Senior Financing Group Company may not make a Permitted Disposal pursuant to paragraph (a) of the definition of Permitted Disposal unless made in accordance with a Remedial Plan (as defined below) or unless the Senior Trigger Event has occurred and continuing solely as a result of a breach of the Senior Projected Trigger Event Financial Covenant Ratios and subject to certain restrictions, provided that it can demonstrate that such disposal is permitted under the terms of the Common Terms Agreement, the proceeds of such disposal are used to repay Senior Debt in accordance with the Common Terms Agreement and such a disposal will either cure or improve the relevant breach of Senior Projected Trigger Event Financial Covenant Ratios (a "**Disposal Cure**").

In addition, for so long as any Senior Debt is outstanding, if (i) one or both of the ratings assigned to the Senior Notes (if the Senior Notes are rated by two rating agencies) or (ii) two or more ratings assigned to the Senior Notes (if the Senior Notes are rated by three or more rating agencies) fall below BBB−/Baa3 (or equivalent) by a rating agency (a "**Rating Downgrade Event**"), a Senior Financing Group Company may only make Senior Restricted Payments (to the extent that no Senior Trigger Event has occurred and is continuing) to the extent that such Senior Restricted Payments are used exclusively to pay interest or principal on the Subordinated Loans for the purpose of the Subordinated Lender paying interest or principal to AF No 2 and AF No 2 (in its capacity as the Intercompany Borrower) paying interest and an amount equal to the Issuer Senior Amounts to the Issuer (in its capacity as the Intercompany Lender) on the Intercompany Loans and the Issuer paying interest on the Notes and the Issuer Senior Amounts (as applicable).

*Senior Trigger Event Consequences*

If a Senior Trigger Event occurs and is continuing, no Senior Financing Group Company may make a Senior Restricted Payment and the Senior Borrower will credit an account with an amount equal to all Excess Cash Flow in respect of each previous Semi-Annual Test Period commencing following that Senior Trigger Event and shall continue to credit such account (the "**Lock-Up Account**") with an amount equal to all Excess Cash Flow in respect of each subsequent Semi-Annual Test Period for so long as a Senior Trigger Event is continuing.

In the event that a Senior Trigger Event has been subsisting for 12 months or more and for so long as any Senior Debt remains outstanding then, AF No 1 shall apply all amounts then standing to the credit of the Lock-Up Account in repayment of Senior Debt in accordance with the Common Terms Agreement.

In the event that the Senior Trigger Event is continuing for 6 months or more, the Senior Borrower must discuss plans for remedial action with a view to agreeing a remedial plan (each a "**Remedial Plan**"). Such Remedial Plan is to be reviewed and amended annually until such time as the relevant Senior Trigger Event is no longer subsisting.

"**Semi-Annual Test Period**" means the six months ending on any Test Date.

"**Senior Restricted Payments**" are any payments (including distributions, dividends, bonus issues, return of capital, fees, interest, principal or other amounts whatsoever) by way of loan or repayment of any loan or otherwise (in cash or in kind) by any Senior Financing Group Company to any Holding Company, any other non-Senior Financing Group Company (other than the Senior Issuer or Senior FinCo) or any Shareholder (in each case other than otherwise permitted under the Senior Transaction Documents), subject to certain exceptions.

"**Shareholder**" means, as at the Closing Date (having the same meaning as "Closing Date" for the purposes of the Common Terms Agreement), the Initial Shareholders and, from time to time, the shareholders in AGL (being as at the date of this Offering Memorandum the "Current Shareholders" as defined in the section "*Certain Definitions*").

*Events of Default*

The Common Terms Agreement sets out the events of default applying to the Senior Obligors (each a "**Senior Obligor Event of Default**"). Such Senior Obligor Events of Default, which are subject to customary materiality and grace periods, include, among others: (i) failure to pay any sum when due subject to a five business day grace period; (ii) a breach of the Senior Financial Covenant Ratios; (iii) breach of a material covenant, subject to a 10 business day grace period if capable of remedy; (iv) breach of any other covenant, subject to a 20 business day grace period if capable of remedy; (v) representations or warranties found to be untrue or misleading when made or deemed repeated, subject to a 20 business day remedy period if capable of remedy; (vi) cross default subject to a threshold; (vii) insolvency and insolvency proceedings; and (viii) an event of default in relation to the Senior Issuer.

*Governing Law*

The Common Terms Agreement is governed by and construed and enforced in accordance with English law.

***Senior Hedges***

**This section describes the hedging position of the Senior Group. Each capitalised term in this section not otherwise defined elsewhere in this Offering Memorandum shall have the meaning given to such term in the section "*Defined Terms for the purposes of the Common Terms Agreement*".**

The Senior Borrower has entered into the Senior Interest Rate Hedges, Senior Currency Hedges, Senior Overlay Hedges and Senior Inflation Linked Hedges with a number of Borrower Hedge Counterparties and may enter into further Hedges with one or more Borrower Hedge Counterparties from time to time (together, the "**Senior Borrower Hedges**"). In addition, the Senior Issuer may enter into Hedges with one or more Issuer Hedge Counterparties from time to time (the "**Senior Issuer Hedges**", which expression excludes, for the avoidance of doubt, any Issuer/Borrower Hedges). Each Hedge Counterparty to any one or more Senior Borrower Hedges will be party to the MDA, CTA and the STID and, in the case of the Senior Issuer Hedges, the MDA, CTA, STID and the Issuer Deed of Charge.

The Senior Issuer and the Senior Borrower must at all times comply with the Issuer/Borrower Hedging Policy.

The Senior Borrower and the Senior Issuer may from time to time enter into back to back hedges which match the terms of any Senior Issuer Hedges (the "**Issuer/Borrower Hedges**").

***Hedged Debt Covenant***

*Interest Rate Hedging and Inflation Linked Hedging*

The Senior Issuer and the Senior Borrower will ensure that at each Hedging Test Date, the amount equal to:

(a) the sum of:

(i) the total outstanding principal amount of the Senior Notes and the Borrower Loans (excluding any Issuer/Borrower Loans) which either:

(A) bear interest at a fixed rate; or

(B) pay a return that is index-linked to inflation; and

(ii) the aggregate notional amount of all outstanding Interest Rate Hedges and Inflation Linked Hedges which are entered into by either the Senior Issuer or the Senior Borrower (excluding any Issuer/Borrower Hedges) (together, the "**Rate Hedges**"), less

(b) the aggregate notional amount of: (x) any Offsetting Hedges and the portion (which may be a part or the entirety) of any Primary Hedges which have been offset by such Offsetting Hedges, (y) any Overlay Hedges and (z) any Inflation Linked Hedges in respect of which the Senior Borrower or the Senior Issuer (as applicable) receives a fixed rate of interest,

is not less than 80% and not more than 105% of the total outstanding principal amount of the Senior Notes and the Borrower Loans (excluding any Issuer/Borrower Loans) for the period up to (and including) the day that is five years from such Hedging Test Date.

The Senior Issuer and the Senior Borrower will ensure that at each Hedging Test Date the amount equal to:

(a) the sum of:

(i) the total outstanding principal amount of the Senior Notes and the Borrower Loans (excluding any Issuer/Borrower Loans) which either:

(A) bear interest at a fixed rate; or

(B) pay a return that is index-linked to inflation; and

(ii) the aggregate notional amount of all outstanding Rate Hedges, less

(b) the aggregate notional amount of: (x) any Offsetting Hedges and the portion (which may be a part or the entirety) of any Primary Hedges which have been offset by such Offsetting Hedges, (y) any Overlay Hedges and (z) any Inflation Linked Hedges in respect of which the Senior Borrower or the Senior Issuer (as applicable) receives a fixed rate of interest,

is not less than 75% and not more than 110% of the total outstanding principal amount of the Senior Notes and the Borrower Loans (excluding any Issuer/Borrower Loans) for the period up to (and including) the day that is seven years from such Hedging Test Date (the preceding two paragraphs, the "**Rate Hedged Debt Covenant**").

*Currency Hedging*

If any Senior Notes and Borrower Loans (excluding any Issuer/Borrower Loans) are denominated in a currency other than sterling, the Senior Borrower and/or the Senior Issuer (as applicable) will enter into Currency Hedges in respect of such foreign currency with an aggregate notional amount equal to 100% of the aggregate outstanding principal amount of such Senior Notes and Borrower Loans denominated in such foreign currency until the Final Maturity Date or any equivalent or analogous maturity date of such Senior Notes and Borrower Loans. Such Currency Hedges will cover interest and principal payments under the relevant Senior Notes and Borrower Loans (excluding Issuer/Borrower Loans) (the "**Currency Hedged Debt Covenant**" and together with the Rate Hedged Debt Covenant, the "**Hedged Debt Covenant**").

*General*

No hedging is permitted for speculative purposes, but the Senior Borrower and/or another Obligor may enter into general foreign exchange trades or interest rate risk management trades in the ordinary course of business (which shall be considered Permitted Treasury Transactions).

*Ranking of Hedging Agreements*

Any liability of the Senior Issuer under the Senior Issuer Hedges (other than Excluded Hedge Counterparty Amounts) will rank senior to ("**Super Senior Issuer Hedges**") or pari passu with ("**Pari Passu Issuer Hedges**") the Senior Notes, as more fully set out in the provisions relating to the priority of payments applicable to the Senior Issuer in the Common Documents. Any liability of the Senior Borrower under the Senior Borrower Hedges will rank senior to ("**Super Senior Borrower Hedges**") or pari passu with ("**Pari Passu Borrower Hedges**") the Borrower Facilities (other than the Liquidity Facility, which will rank senior thereto except for Excluded Liquidity Facility Provider Amounts), as more fully set out in the provisions relating to the order of priority of payments applicable to the Senior Borrower in the Common Documents. Pari Passu Issuer Hedges will be subject to a Pari Passu Issuer Hedging Agreement. Pari Passu Borrower Hedges will be subject to a Pari Passu Borrower Hedging Agreement. Super Senior Issuer Hedges will be subject to a Super Senior Issuer Hedging Agreement. Super Senior Borrower Hedges will be subject to a Super Senior Borrower Hedging Agreement. Accordingly, if a Hedge Counterparty enters into more than one such category of Hedges, it must enter into a separate Hedging Agreement with the Senior Borrower or the Senior Issuer (as applicable) in respect of each category of Hedges.

The ranking of each Hedging Agreement shall be specified as such in that Hedging Agreement.

*Hedging (with Breaks) Condition*

The Senior Borrower and the Senior Issuer may enter into Hedges with Hedge Counterparties that contain mandatory break clauses (each a "**Hedge with Break Clause**" and together the "**Hedges with Break Clauses**"), provided that (i) the aggregate notional amount of all Hedges with Break Clauses does not exceed 10% of Senior Debt and (ii) the mandatory break clause is on or after the tenth anniversary of the entry into such Hedge with Break Clause. For the purpose of calculating the aggregate notional amount of all Hedges with Break Clauses, the following will not be included (i) any Offsetting Hedges and any Hedges which have been offset by such Offsetting Hedges and (ii) any Overlay Hedges.

*Overhedging*

The Senior Borrower and the Senior Issuer may at any time reduce in part or in whole the notional amount of any Senior Borrower Hedges and Senior Issuer Hedges respectively and of any corresponding Issuer/Borrower Hedges (as required) (a "**Reduction"**), provided that the Senior Borrower and the Senior Issuer remain in compliance with the Hedged Debt Covenant.

In the event that the Senior Borrower or the Senior Issuer on any Hedging Test Date is overhedged pursuant to the above Hedged Debt Covenant (an "**Overhedged Position**"), the Senior Borrower or the Senior Issuer (as applicable) must reduce the notional amount of the relevant Currency Hedges or Rate

Hedges (as applicable) in accordance with the terms of the relevant Hedging Agreement so that immediately following such Reductions it is in compliance with the above Hedged Debt Covenant.

In the event that an Overhedged Position arises or will arise by virtue of proceeds from a disposal being applied towards repayment of the Senior Debt, the Senior Borrower or the Senior Issuer must effect immediate Reductions across the relevant Currency Hedges or Rate Hedges (as applicable) in accordance with the terms of the relevant Hedging Agreement such that, following such Reductions, the Senior Borrower or the Senior Issuer (as applicable) is in compliance with the Hedged Debt Covenant.

In respect of any Reduction in relation to a Rate Hedge or Currency Hedge (respectively), in the event that the relevant Hedge Counterparty is in-the-money in respect of such Rate Hedge or Currency Hedge (as applicable), the Senior Borrower or Senior Issuer (as applicable) shall pay to the relevant Hedge Counterparty the mark-to-market close-out value in respect of the portion of such Rate Hedge or Currency Hedge (as applicable) being reduced or terminated.

The Senior Borrower and the Senior Issuer may enter into one or more Offsetting Hedges which will be used for the purposes of determining whether or not it is overhedged. Senior FinCo may not enter into any Offsetting Hedges.

*Cap on Super Senior Borrower Hedges and Super Senior Issuer Hedges*

The Senior Borrower and the Senior Issuer may not enter Super Senior Borrower Hedges and Super Senior Issuer Hedges (other than Overlay Hedges or Offsetting Hedges) if the risk-weighted notional amount of existing Super Senior Borrower Hedges and Super Senior Issuer Hedges is more than 50% of the outstanding principal amount of the Borrower Loans and Senior Notes. The risk-weighting of the existing Super Senior Borrower Hedges and Super Senior Issuer Hedges will be determined by reference to their mark-to-market value.

***Swaps Portfolio Details***

As at 31 December 2024, the Junior Group had a hedging portfolio with a notional amount of approximately £1.3 billion. This portfolio comprises approximately:

- £0.7 billion notional amount of inflation linked swaps (ILS) to which the Senior Borrower is party;
- £0.3 billion notional amount of overlay swaps (OS) to which the Senior Borrower is party;
- £0.1 billion notional amount of cross currency swaps (CCS) to which the Senior Borrower is party; and
- £0.2 billion notional amount of IRS to which the Senior Borrower is party.

The summary terms of the hedging portfolio, as at 31 December 2024, are as follows:

| **Swap** | **Senior Borrower ILS** | **Senior Borrower OS** | **Senior Borrower CCS** | **Senior Borrower IRS** |
|---|---|---|---|---|
| **Notional amount** | Approximately £0.7 billion | Approximately £0.3 billion | Approximately £0.1 billion | Approximately £0.2 billion |
| **Maturity** | 2027 | 2025 on approximately £25 million | 2031 | 2029 |
| | | 2027 on approximately £0.3 billion | | |
| | | | | |
| **Mandatory breaks** | None | None | None | None |

| Swap | Senior Borrower ILS | Senior Borrower OS | Senior Borrower CCS | Senior Borrower IRS |
|---|---|---|---|---|
| | | | | |
| **Ranking** | Super senior to Senior Borrower Facilities | Super senior to Senior Borrower Facilities | Pari passu with Senior Borrower Facilities | Pari passu with Senior Borrower Facilities |
| **Structural features** | Regular scheduled payments of accretion, as follows:<br>Accretion payable annually until maturity<br>Assuming a flat annual inflation rate, accretion payments will grow larger over time due to the compounding effect of inflation<br>Accretion paydowns are collared at a cap of an approximately 6.0% on and with a floor of 2.5% for a notional of £0.7bn | Amortising on approximately £25 million that is maturing in 2025<br>Remaining £0.3 billion overlays are bullet maturity | Amortising to match the U.S. dollar tranche of the Senior USPP Notes with principal exchanges on the scheduled amortising dates of the U.S. dollar tranche of the Senior USPP Notes | Amortising on approximately £0.2 billion |
| **Estimated mark-to-market value as at 31 December 2024** | Approximately (£0.2) billion | Approximately £9 million | Approximately (£4.0) million | Approximately £18 million |
| **Coupons paid** | 2.9% real rate on the ILS notional<br>The interest payments are calculated on a swap notional amount that increases semi-annually with reference to RPI<br>The ILS have a base index level of 201.6 (i.e. the RPI figure for January 2007). This is the date falling three months before the date when the ILS were initially entered into by the Borrower (in April 2007) | Floating pay leg of SONIA + 0.2677% on approximately £25 million<br>Floating pay leg of SONIA + 0.2677% on approximately £0.1 billion<br>Floating pay leg of SONIA on approximately £0.2 billion | Fixed pay leg of approximately 7.0% on GBP notional | Fixed pay leg of 0.3% on approximately £0.2 billion notional |

| Swap | Senior Borrower ILS | Senior Borrower OS | Senior Borrower CCS | Senior Borrower IRS |
|---|---|---|---|---|
| **Coupons received** | Approximately £0.3 billion of the ILS have a fixed receive leg of 2.6%<br>Approximately £0.4 billion of the ILS have a floating receive leg of SONIA + 0.2766% | Fixed receive leg of 2.0% on approximately £25 million<br>Fixed receive leg of 2.9% on approximately £0.1 billion<br>Fixed receive leg of 5.2% on approximately £0.2 billion | Fixed receive leg of 6.2% on U.S. dollar notional to match coupons of the U.S. dollar tranche of the Senior USPP Notes | Floating receive leg of SONIA + 0.2766% |

(1) Historic RPI fixings can be found on Bloomberg page UKRPI < Index >.

***Senior Borrower ILS and Senior Borrower OS***

The existing ILS (which have a total notional amount of approximately £0.7 billion) are used to hedge the Junior Group's high proportion of index linked turnover. The mark to market value on the ILS is linked to future expectations of inflation. As the Junior Group's long term contracts are closely linked to the RPI, higher inflation tends to increase future turnover and offsets the impact of mark to market deterioration on the ILS over the life of the swap.

In addition, the Senior Borrower has entered into approximately £0.4 billion notional amount of floating/fixed interest rate swaps (i.e. OS) to overlay the ILS (with no mandatory break and having a floating receive leg of either SONIA or SONIA + 0.2766%) and thereby amend the net cash flow characteristics.

Approximately £0.6 billion notional amount of ILS after directly or in conjunction with a portion of the OS (£0.4 billion notional amount) effectively hedges the Senior Issuer's and the Senior PP Issuer's fixed rate GBP coupon payments under the existing fixed rate Senior Notes and the existing fixed rate GBP tranche of the Senior USPP Notes, respectively. The remaining £0.1 billion notional amount of ILS is hedging floating rate debt.

On the ILS, the coupon is paid in cash at each semi annual payment date and is accounted for in the Senior Historic Cashflow ICR and the Senior Projected Cashflow ICR (together, the "Senior ICRs"). The accretion amount to the notional amount which is determined by indexation to inflation is counted as Senior Net Debt in the Senior Historic Net Debt to EBITDA Ratio and the Senior Projected Net Debt to EBITDA Ratio, but not in the Senior ICRs.

The Senior Borrower is required to pay down accretion amounts every year until maturity of the ILS. The Senior Borrower expects to fund this payment from available cash and/or the incurring of new Senior Debt.

The accretion payment on the ILS is calculated according to the following formula:

{([RPI (3 month lag) / 201.6 − 1] × ILS notional) minus the sum of all previous accretion payments}.

The interest payments on the ILS are calculated according to the following formula:

{[RPI (3 month lag) / 201.6] × ILS notional × real rate × fraction of year}

Management estimates that, as at 31 December 2024, the fair value on the ILS was approximately £166 million and the PV01 (as explained below) on the ILS was approximately £0.3 million. The PV01 represents

the present value of adding one basis point to the fixed rate payable by the Senior Borrower and is a function of interest rates and time (which means that the PV01 will vary from time to time).

***Senior Borrower CCS***

The Senior Borrower has entered into U.S.$0.1 billion notional amount of CCS to fix the sterling cost of future interest and capital repayment obligations relating to the U.S. dollar tranche of the Senior USPP Notes at an exchange rate of USD1.24:GBP1.00.

***Senior Borrower IRS***

The Senior Borrower has entered into approximately £0.2 billion notional amount of IRS to hedge the floating rate payable by the Senior Borrower under the Senior Group's floating rate GBP debt, specifically the floating rate GBP tranches of the Senior USPP Notes. None of the Senior Borrower IRS contains any mandatory break provisions and instead the maturity date of each such Senior Borrower IRS corresponds to the scheduled maturity of the aforementioned Senior Debt that it hedges (subject to any scheduled amortisation, if applicable).

## TERMS AND CONDITIONS

*The following is the text of the terms and conditions which (subject to amendment) will be incorporated by reference into each Global Certificate and (if applicable) each Definitive Note (the "**Conditions**").*

The £500,000,000 8.625% Senior Secured Notes due 2030 (the "**Notes**") of Arqiva Broadcast Finance plc (the "**Issuer**") are constituted by a trust deed (the "**Note Trust Deed**") dated on or about 3 July 2025 (the "**Issue Date**") and made between the Issuer and Deutsche Trustee Company Limited (in such capacity, the "**Note Trustee**") as trustee for the Noteholders (as defined below). Any reference in these terms and conditions ("**Conditions**") to a "**class**" of Notes or of Noteholders shall be a reference to the Notes or to the respective holders thereof.

The expression "**Notes**" shall, in these Conditions, unless the context otherwise requires, include any Further Notes (as defined below) issued pursuant to Condition 16.1 (Further Notes) and forming a single series with the Notes.

The security for the Notes is constituted by a security agreement (the "**Security Agreement**") dated the Issue Date and made between, among others, the Issuer and Deutsche Trustee Company Limited (in such capacity, the "**Security Trustee**").

Pursuant to an agency agreement (the "**Agency Agreement**") dated the Issue Date and made between, inter alios, the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**" and, together with such additional or other paying agents, if any, appointed from time to time pursuant to the Agency Agreement, the "**Paying Agents**") and as agent bank (the "**Agent Bank**"), Deutsche Bank Luxembourg S.A. as registrar with respect to the Global Certificates (the "**Registrar**") and Deutsche Bank Luxembourg S.A. as transfer agent with respect to the Global Certificates (the "**Transfer Agent**" and together with the Paying Agents, the Agent Bank and the Registrar, the "**Agents**") and the Note Trustee, provision is made for the payment of principal, premium (if any) and interest in respect of the Notes of each class.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Note Trust Deed, the Security Agreement and the Intercreditor Agreement between, inter alios, the Issuer, the Note Trustee and the Security Trustee dated on or about the Issue Date.

Copies of the Note Trust Deed, the Security Agreement, the Agency Agreement, the Intercreditor Agreement and the other Transaction Documents are available for inspection during normal business hours at the specified office for the time being of each of the Paying Agents and the Registrar and may be obtained free of charge by Noteholders from the Note Trustee upon request. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

### 1 FORM, DENOMINATION AND TITLE

1.1 The Notes are represented by a Regulation S Global Certificate (as defined in Condition 18 (*Definitions*)) (the "**Global Certificate**") in registered form in the aggregate principal amount on issue of £500,000,000. The Global Certificate has been deposited on behalf of the subscribers of the relevant class of Notes with a common depositary for Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**" and, together with Clearstream, Luxembourg, the "Clearing Systems") on the Issue Date. Upon deposit of the Global Certificate, the Clearing Systems have credited each subscriber of Notes with the principal amount of Notes of the relevant class equal to the aggregate principal amount thereof for which it had subscribed and paid.

1.2 Interests in a Global Certificate will be transferable in accordance with the rules and procedures for the time being of the relevant Clearing System.

1.3 For so long as the Notes are represented by a Global Certificate and the Clearing Systems so permit, the Notes will be tradeable only in the minimum authorised denomination of £100,000 and higher integral multiples of £1,000.

1.4 If, while any of the Notes are represented by a Global Certificate, any of the Clearing Systems is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no other clearing system is then in existence or (ii) as a result of any amendment to, or change in, the laws or regulations of the United Kingdom (or of any political sub-division thereof) or of any authority therein or thereof having power to tax or in the interpretation or administration of such laws or regulations which becomes effective on or after the Issue Date, the Issuer or any Paying Agent is or will on the next Interest Payment Date (as defined below) be required to make any deduction or withholding from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Notes of the relevant class in definitive form ("**Definitive Notes**") in exchange for such Global Certificate (free of charge to the persons entitled to them) within 30 days of the occurrence of the relevant event.

1.5 Definitive Notes, if issued, will only be printed and issued in denominations of £100,000 and integral multiples of £1,000 in excess thereof. Such Notes will be serially numbered and will be issued in registered form.

1.6 Subject as set out below, title to the Notes will pass upon registration of transfers in the register by the Registrar, in accordance with the provisions of the Agency Agreement. The Issuer, the Note Trustee, the Security Trustee and any Agent will (except as otherwise required by law) deem and treat the registered holder of any Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Certificate, without prejudice to the provisions set out below.

1.7 For so long as any of the Notes are represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular Outstanding Principal Amount (as defined in Condition 18 (*Definitions*)) of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the Outstanding Principal Amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Note Trustee, the Security Trustee and the agents as the holder of such Outstanding Principal Amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Issuer, the Note Trustee, the Security Trustee and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Certificate and the expressions Noteholder and holder of Notes and related expressions shall be construed accordingly.

1.8 In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Note Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

## 2 TRANSFERS OF NOTES

### 2.1 Transfers of interests in Global Certificates

Transfers of beneficial interests in Global Certificates will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such Clearing Systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Global Certificate only in the authorised denominations set out in Condition 1.1 and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Note Trust Deed and the Agency Agreement.

### 2.2 Transfers of Note in definitive form

Subject as provided in Conditions 2.6 (*Transfers of interests in Global Certificates*), upon the terms and subject to the conditions set forth in the Note Trust Deed and the Agency Agreement, a Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in Condition 1.5). In order to effect any such transfer (a) the holder or holders must (i) surrender the Note for registration of the transfer of the Note (or the relevant part of the Note) at the specified office of the Registrar or the Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, by the Transfer Agent and (b) the Registrar or the Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Note Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 2 and Schedule 3 of the Agency Agreement). Subject as provided above, the Registrar or the Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of such Registrar or such Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Note in definitive form of a like aggregate nominal amount to the Note (or the relevant part of the Note) transferred. In the case of the transfer of part only of a Note in definitive form, a new Note in definitive form in respect of the balance of the Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### 2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 6 (*Redemption, Purchase and Cancellation*), the Issuer shall not be required to register the transfer of any Note, or part of a Note, called for partial redemption.

### 2.4 Regulations concerning the transfer of Notes

All transfers of Notes and entries on the register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Principal Paying Agent, the Note Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

### 2.5 Cost of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any cost or expenses of delivery other than by regular uninsured mail and except that the Issuer may require payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### 2.6 Transfers of interests in Global Certificates

2.6.1 Prior to expiry of the Distribution Compliance Period, before any interest in the Global Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Global Certificate, the holder will be required to provide the Issuer and the Registrar with a written certification (in the form provided in the Note Trust Deed) as to compliance with applicable securities laws.

2.6.2 After expiry of the Distribution Compliance Period (A) beneficial interests in Global Certificates registered in the name of a nominee of the common depository for Euroclear or Clearstream, Luxembourg may be held directly or indirectly through a participant in Euroclear or Clearstream, Luxembourg and (B) such certification requirements will no longer apply to such transfers.

### 2.7 Exchanges and transfers of Notes generally

Holders of Notes in definitive form may exchange such Notes for interests in a Global Certificate of the same type at any time.

## 3 STATUS OF NOTES AND THE GUARANTEES

### 3.1 Status of the Notes

The Notes are direct, secured, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and *pari passu* with any Indebtedness Incurred by the Issuer from time to time that is not subordinated in right of payment to the Notes and senior to any Subordinated Debt or intra-Group liabilities.

### 3.2 Status of the Guarantees

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Note Trust Deed has been unconditionally and irrevocably guaranteed by Arqiva Financing No 2 Limited (the "**Intermediate Guarantor**"), Arqiva Broadcast Parent Limited (the "**Parent Guarantor**") and Arqiva Broadcast Intermediate Limited (the "**Intermediate HoldCo**" and, together with the Intermediate Guarantor and the Parent Guarantor, the "**Guarantors**") (the "**Guarantees**"). The Guarantees are contained in the Note Trust Deed and are secured pursuant to the Security Agreement.

### 3.3 Transaction Security

3.3.1 The Notes and the Guarantees will be secured by first ranking fixed and floating security interests over all (or substantially all) of the assets of the Issuer and the Guarantors, including (1) the shares in each of the Issuer and the Intermediate Guarantor held by the Parent Guarantor, (2) the shares in Intermediate HoldCo held by the Intermediate Guarantor and (3) the shares in Arqiva Group Parent Limited held by Intermediate HoldCo.

3.3.2 The security constituted by the Security Agreement is granted by the Issuer and the Guarantors to the Security Trustee, on trust for itself and certain other creditors of the Issuer (including the Noteholders), upon and subject to the terms and conditions of the Security Agreement, the Intercreditor Agreement or any Additional Intercreditor Agreement.

3.3.3 The Noteholders will share in the benefit of the security constituted by the Security Agreement, upon and subject to the terms and conditions of the Security Agreement, the Intercreditor Agreement or any Additional Intercreditor Agreement.

### 3.4 Note Trust Deed

The Note Trust Deed contains provisions requiring the Note Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Note Trustee (except where expressly provided otherwise).

### 3.5 Further Securities

In the event of an issue of Further Notes (as defined in Condition 16.1 (*Further Notes*), the provisions of these Conditions, the Note Trust Deed, the Security Agreement and the other Transaction Documents, will be modified in such manner as the Issuer considers necessary to reflect the issue of such Further Notes and any new Transaction Documents entered into in connection with such Further Notes and the ranking thereof and of the claims of any party to any of such new Transaction Documents in relation to each class of the Notes. Such modifications shall be made without the consent of the Noteholders and the Note Trustee or, as the case may be, the Security Trustee shall be obliged to concur with the Issuer in making such amendments, provided that:

(a) the Issuer certifies to the Note Trustee or, as applicable, the Security Trustee in writing that these modifications and entry into new Transaction Documents are solely for the purpose of the issue of such Further Notes;

(b) the Issuer pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) incurred by the Note Trustee, or as applicable, the Security Trustee in connection with such issue of Further Notes;

(c) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on the certificate or evidence provided to it by the Issuer in paragraph (a) above and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying; and

(d) neither the Note Trustee nor the Security Trustee shall be obliged to agree to the relevant modifications and entry into new Transaction Documents which, in the sole opinion of the Note Trustee, or as applicable, the Security Trustee would have the effect of (i) exposing the Note Trustee, or as applicable, the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, authorisations, discretions, indemnification or protections, of the Note Trustee, or as applicable, the Security Trustee in the Transaction Documents and/or these Conditions.

### 3.6 Note Trustee not responsible for monitoring compliance

The Note Trustee shall not be responsible for monitoring compliance by the Issuer or any other Obligor with any of its obligations under the Note Trust Deed or the other Transaction Documents except by means of receipt of a certificate from the Issuer which will state, among other things, that no Event of Default is outstanding. The Note Trustee shall be entitled to rely on such certificates absolutely. The Note Trustee is not responsible for monitoring compliance by any of the parties with their respective obligations under the Note Trust Deed or the other Transaction Documents. The Note Trustee may call for and is at liberty to accept as sufficient evidence a certificate signed by any one authorised signatory director of the Issuer or any other party to the Note Trust Deed or other Transaction Documents to the effect that any particular dealing, transaction, step or thing is

in the opinion of the persons so certifying suitable or expedient or as to any other fact or matter upon which the Note Trustee may require to be satisfied. The Note Trustee is in no way bound to call for further evidence or be responsible to any person for any loss that may be occasioned by acting on any such certificate although the same may contain some error or is not authentic. The Note Trustee is entitled to rely upon any certificate believed by it to be genuine and will not be liable for so acting.

## 4 COVENANTS

### 4.1 Indebtedness

4.1.1 None of the Issuer nor any Guarantor shall Incur any Indebtedness, provided that the Issuer and the Guarantors may Incur Indebtedness if, on the date of such Incurrence, the Fixed Charge Coverage Ratio would have been at least 2.0 to 1.0 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom) as if the additional Indebtedness had been Incurred and the application of proceeds therefrom had occurred at the beginning of the relevant Test Period.

4.1.2 Notwithstanding the foregoing Condition 4.1.1, the Issuer and the Guarantors may Incur any or all of the following items of Indebtedness (collectively, the "**Permitted Debt**"):

(1) the Incurrence by the Issuer and the Guarantors of Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed £45 million, *plus* in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;

(2) the Incurrence by the Issuer and the Guarantors of Indebtedness represented by the Notes (other than Further Notes) and the related Guarantees (including any future Guarantees);

(3) Indebtedness of the Issuer and the Guarantors outstanding on the Issue Date (other than the Indebtedness described in clauses (1) or (2) of this Condition 4.1.2) after giving *pro forma* effect to the use of proceeds of the Notes Incurred on the Issue Date as set forth in the Offering Memorandum;

(4) the Incurrence by the Issuer and the Guarantors of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by these Conditions to be Incurred under Condition 4.1.1 or clauses (2), (3) or (4) of this Condition 4.1.2;

(5) the Incurrence by the Issuer or a Guarantor of intercompany Indebtedness owed to or held by another Group Company; *provided* that:

(a) if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, such Indebtedness must be unsecured and expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes, in the case of the Issuer, or the Guarantee, in the case of a Guarantor; and

(b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than a Group Company and (ii) any sale or other transfer of any such Indebtedness to a Person that is not

a Group Company, will be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Issuer or such Guarantor, as the case may be, that was not permitted by this clause (5);

(6) the Incurrence by the Issuer and the Guarantors of obligations under Interest Rate Treasury Transactions not for speculative purposes (as determined in good faith by the Issuer or a Guarantor, as the case may be);

(7) the guarantee by the Issuer or a Guarantor of Indebtedness of the Issuer or a Guarantor to the extent that the guaranteed Indebtedness was permitted to be Incurred by another provision of this Condition 4.1; provided that if the Indebtedness being guaranteed is subordinated to the Notes or subordinated to or *pari passu* with a Guarantee, then the guarantee must be subordinated, in the case of the Notes or subordinated to or *pari passu*, as applicable, in the case of a Guarantee, in each case to the same extent as the Indebtedness guaranteed;

(8) the Incurrence by the Issuer and the Guarantors of Indebtedness in an aggregate principal amount at any one time outstanding under this clause (8) not to exceed the greater of (x) £158,500,000 and (y) 50% of EBITDA;

(9) the Incurrence by the Issuer and the Guarantors of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is covered within five Business Days of such Incurrence; and

(10) the Incurrence by the Issuer and the Guarantors of Indebtedness in respect of (a) any customary cash management, cash pooling or netting or setting-off arrangements, including customary credit card facilities; and (b) any guarantee given in respect of the netting or set-off arrangements permitted pursuant to the definition of Permitted Liens.

4.1.3 For purposes of determining compliance with this Condition 4.1, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in clause (1) through (9) of Condition 4.1.2, or is entitled to be Incurred pursuant to Condition 4.1.1, the Parent Guarantor, in its sole discretion, will be permitted to classify such item of Indebtedness on the date of its Incurrence and only be required to include the amount and type of such Indebtedness in one of such clauses and will be permitted on the date of such Incurrence to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Conditions 4.1.1 and 4.1.2, and from time to time to reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Condition 4.1; *provided* that Indebtedness Incurred pursuant to clause (1) of Condition 4.1.2 may not be reclassified. Indebtedness under the Liquidity Facility outstanding on the Issue Date will be deemed to have been Incurred on such date in reliance on the exception provided in Condition 4.1.2(1). The accrual of interest or Disqualified Stock dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness, the reclassification of Capital Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of Disqualified Stock will not be deemed to be an Incurrence of Indebtedness for purposes of this Condition 4.1.

4.1.4 For purposes of determining compliance with any sterling-denominated restriction on the Incurrence of Indebtedness, the Sterling-Equivalent of the aggregate principal amount of Indebtedness denominated in a different currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness Incurred under a revolving

credit facility; *provided* that (1) if such Indebtedness denominated in non-sterling currency is subject to a Currency Exchange Protection Agreement, the amount of such Indebtedness expressed in sterling will be calculated so as to take account of the effects of such Currency Exchange Protection Agreement; and (2) the Sterling-Equivalent of the principal amount of any such Indebtedness outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Indebtedness Incurred in the same currency as the Indebtedness being refinanced will be the Sterling-Equivalent of the Indebtedness refinanced determined on the date such Indebtedness was originally Incurred, except that to the extent that:

(1) such Sterling-Equivalent was determined based on a Currency Exchange Protection Agreement, in which case the refinancing Indebtedness will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Indebtedness exceeds the principal amount of the Indebtedness being refinanced, in which case the Sterling-Equivalent of such excess will be determined on the date such refinancing Indebtedness is being Incurred.

4.1.5 Notwithstanding any other provision of this Condition 4.1, the maximum amount of Indebtedness that the Issuer or a Guarantor may Incur pursuant to this Condition 4.1 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

4.1.6 The amount of any Indebtedness outstanding as of any date will be:

(1) in the case of any Indebtedness issued with original issue discount, the amount of the liability in respect thereof determined in accordance with the Accounting Principles; and

(2) the principal amount of the Indebtedness, in the case of any other Indebtedness.

4.1.7 For purposes of these Conditions, the Fixed Charge Coverage Ratio, Historic Net Debt to EBITDA Ratio and Historic Senior Secured Net Debt to EBITDA Ratio will be calculated in accordance with the Accounting Principles.

## 4.2 Restricted Payments

4.2.1 None of the Issuer nor any Guarantor shall, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution on account of the Equity Interests of the Issuer or a Guarantor (including, without limitation, any payment in connection with any merger or consolidation involving the Issuer or a Guarantor) or to the direct or indirect holders of the Equity Interests of the Issuer or a Guarantor in their capacity as holders or otherwise to any Holding Company of the Parent Guarantor or any Subsidiary of such Holding Company (not being a Group Company) or any Shareholder or any Shareholder Affiliate, other than (i) dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Parent Guarantor or in Subordinated Debt; and (ii) dividends, distributions or other payments payable to a Group Company;

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Parent Guarantor) any Equity Interests of the Parent Guarantor or any direct or indirect Holding Company of the Parent Guarantor held by Persons other than a Group Company (other than in exchange for Capital Stock in the Parent Guarantor (other than Disqualified Stock));

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Issuer or any Guarantor that is contractually subordinated in right of payment to the Notes or to any Guarantee (excluding any intercompany Indebtedness between or among the Group Companies), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase or other acquisition of Indebtedness purchased in anticipation of satisfying a scheduled sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition;

(4) make any cash payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Debt; or

(5) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (5) above being collectively referred to as "**Restricted Payments**"), if at the time the Issuer or such Guarantor makes such Restricted Payment:

(a) a Default or Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom);

(b) any Loan is outstanding under the Liquidity Facility (as defined in the Liquidity Facility Agreement);

(c) the Issuer is not able to Incur an addition £1 of Indebtedness pursuant to Condition 4.1.1 after giving effect, on a pro forma basis, to such Restricted Payment; or

(d) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) would exceed the sum of (without duplication):

(i) 50% of Consolidated Net Income for the period from the first day of the financial quarter in which the Issue Date occurs to the end of the most recent financial quarter ending prior to the date of the relevant Restricted Payment (provided that the amount taken into account for each quarterly period shall not be less than zero) for which internal consolidated financial statements of the Group are available; plus

(ii) the greater of (x) £79,250,000 and (y) an amount equal to 25% of EBITDA.

4.2.2 Condition 4.2.1 will not prohibit any or all of the following items (collectively, the "**Permitted Payments**"):

(1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend, distribution or redemption payment would have complied with these Conditions;

(2) the making of any Restricted Payment in exchange for, or out of or with the net cash proceeds of the substantially concurrent sale or issuance (other than to a Group Company) of, Equity Interests of the Parent Guarantor (other than Disqualified Stock), Subordinated Debt or from the substantially concurrent contribution of common equity capital to the Parent Guarantor;

(3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the Note or to any Guarantee in respect thereof with the net cash proceeds from an Incurrence of Permitted Refinancing Indebtedness in respect of such subordinated Indebtedness;

(4) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;

(5) the declaration and payment of regularly scheduled or accrued dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or a Guarantor issued on or after the Issue Date in accordance with Condition 4.1;

(6) payments of cash, dividends, distributions, advances or other Restricted Payments by the Issuer or a Guarantor to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Capital Stock of any such Person;

(7) the payment of any dividend or distribution by the Issuer, Intermediate Guarantor or Intermediate HoldCo to the holders of its Equity Interests on no more than a pro rata basis;

(8) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Issuer or any Guarantor that is subordinated in right of payment to the Notes or to any Guarantee upon a Change of Control or Disposition to the extent required by the agreements governing such Indebtedness at a purchase price not greater than 101% of the principal amount of such Indebtedness, in the case of a Change of Control, and 100%, in the case of a Disposition, but only if the Issuer has complied with its obligations under Conditions 6.4 and 4.8.2 and the Issuer repurchased all Notes tendered pursuant to the offer required by Conditions 6.4 and 4.8.2 prior to offering to purchase, purchasing or repaying such Indebtedness;

(9) so long as no Default or Event of Default has occurred and is continuing and there is no Loan outstanding under the Liquidity Facility (as defined in the Liquidity Facility Agreement), any Restricted Payments; *provided* that the Historic Net Debt to EBITDA Ratio does not exceed 4.6 to 1.0 on a *pro forma* basis after giving effect to any such Restricted Payments and any related transaction;

(10) so long as no Default or Event of Default is continuing and there is no Loan outstanding under the Liquidity Facility (as defined in the Liquidity Facility Agreement) any Restricted Payments up to the greater of (x) £79,250,000 and (y) 25% of EBITDA; and

(11) a payment pursuant to a Permitted Tax Transaction.

4.2.3 The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or a Guarantor, as the case may be, pursuant to the Restricted Payment.

## 4.3 Liens

4.3.1 None of the Issuer nor any Guarantor shall, directly or indirectly, create, Incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness upon any of their property or assets, now owned or hereafter acquired (such Lien, the "**Initial Lien**"), except (1) in the case of any property or asset that does not constitute Collateral (a) Permitted Liens, or (b) if such Lien is not a Permitted Lien, to the extent that all

payments due under the Note Trust Deed, the Notes and the Guarantees are secured on an equal and ratable basis (or in the case of Indebtedness which is subordinated in right of payment to the Notes or any Guarantees, prior or senior thereto, with the same relative priority as the Notes or such Guarantee, as applicable, shall have with respect to such subordinated Indebtedness) with the obligations so secured until such time as such obligations are no longer secured by a Lien and (2) in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

4.3.2 Any such Lien created in favour of the Notes pursuant to clause (1)(b) of Condition 4.3.1 will be automatically and unconditionally released and discharged (i) upon the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth in the Security Documents.

## 4.4 Restrictive Covenants

Subject to Condition 4.8, so long as any Notes are outstanding:

4.4.1 there shall be no substantial change to the general nature of the business of the Issuer and each Guarantor from that carried on at the Issue Date;

4.4.2 none of the Issuer nor any Guarantor shall enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to acquire any assets, other than by a Permitted Transaction;

4.4.3 none of the Issuer nor any Guarantor shall enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any assets or undertakings, other than any sale, lease, transfer or other disposal which is a Permitted Transaction;

4.4.4 none of the Issuer nor any Guarantor shall enter into any amalgamation, demerger, merger, consolidation or corporate reconstruction, other than a Permitted Reorganisation;

4.4.5 none of the Issuer nor any Guarantor shall enter into any Tax Transaction, other than a Permitted Tax Transaction;

4.4.6 none of the Issuer or any Guarantor shall incorporate or acquire a direct Subsidiary unless it is wholly-owned and subject to the Transaction Security;

4.4.7 none of the Issuer or any Guarantor shall enter into, invest in or acquire any interest in any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership;

4.4.8 none of the Issuer nor any Guarantor shall trade, carry on any business, own any assets or incur any liabilities or enter into any documents, other than:

(1) credit balances in bank accounts, Indebtedness permitted under Condition 4.1, Liens permitted under Condition 4.3, Dispositions permitted under these Conditions and Restricted Payments and Permitted Investments permitted under Condition 4.2, but only if such credit balances and direct Investments are subject to the Transaction Security;

(2) any liabilities under the Note Trust Deed and the other Transaction Documents to which it is a party and under any Facility Agreement and related documents entered into by it from time to time and professional fees and administration costs in the ordinary course of business as a holding company;

(3) the provision of administrative services (excluding treasury services) to other members of the Junior Group of a type customarily provided by a holding company to its Subsidiaries; or

(4) those permitted under, or arising in connection with transactions permitted by, these Conditions, the Note Trust Deed and the other Transaction Documents, including the Permitted Transactions;

4.4.9 none of the Issuer nor any Guarantor may, without the prior written consent of the Note Trustee, change its memorandum or articles of association provided that each of the Issuer and each Guarantor, as applicable, may change its memorandum or articles of association or other constitutional documents without the Note Trustee's consent if such change would not be reasonably likely to have a Material Adverse Effect.

## 4.5 Information covenants

So long as any Notes are outstanding, the Issuer shall (or, in the case of each Guarantor, shall procure that the Issuer):

4.5.1 give to the Note Trustee, to the Paying Agents and to the Registrar:

(1) as soon as they are available, but in any event within 120 days after the end of each of the Parent Guarantor's Financial Years, an annual report prepared in accordance with the Accounting Principles containing the following information with a level of detail that is substantially comparable to the Offering Memorandum and the following information:

(a) audited consolidated balance sheet of the Parent Guarantor as of the end of the two most recent Financial Years and audited consolidated income statements and statements of cash flow of the Parent Guarantor for the two most recent Financial Years, including complete footnotes to such financial statements and the report of the independent auditors on such financial statements;

(b) *pro forma* income statement and balance sheet information of the Parent Guarantor, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalisations that have occurred since the beginning of the most recently completed Financial Year as to which such annual report relates (unless such *pro forma* information has been provided in a previous report pursuant to Condition 4.5.1(2), 4.5.1(3) or 4.5.1(4) below), provided that such *pro forma* financial information will be provided only to the extent available without unreasonable expense, in which case, the Issuer (or, in the case of each Guarantor, shall procure that the Issuer) shall provide, in the case of a material acquisition, acquired company financial statements to the extent reasonably available;

(c) an operating and financial review of the audited consolidated financial statements of the Parent Guarantor, including a discussion of the results of operations, financial condition and liquidity and capital resources and a discussion of material commitments and contingencies and critical accounting policies;

(d) a description of the business, management and shareholders, material transactions and material debt instruments of the Parent Guarantor and its Subsidiaries; and

(e) material risk factors and material recent developments (to the extent not previously reported pursuant to Condition 4.5.1(3) or 4.5.1(4) below) affecting the Parent Guarantor and its Subsidiaries;

(2) as soon as they are available, but in any event within 60 days (or 90 days, with respect to the financial half year ending on 31 December 2025) following the end of the first financial half year in each of the Parent Guarantor's Financial Years, half yearly financial statements containing the following information prepared in accordance with the Accounting Principles:

(a) an unaudited condensed consolidated balance sheet as of the end of such financial half-year and unaudited condensed statements of income and cash flow for the year to date periods ending on the unaudited condensed balance sheet date, and the comparable prior year period for the Parent Guarantor, together with condensed footnote disclosure, in each case converted to the relevant Accounting Principles under which the audited consolidated statements for the Financial Year in which such financial half-year falls is prepared;

(b) *pro forma* income statement and balance sheet information of the Parent Guarantor, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalisations that have occurred since the beginning of the most recently completed financial half year as to which such report relates (unless such *pro forma* information has been provided in a previous report pursuant to Condition 4.5.1(3) or 4.5.1(4) below);

(c) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition and results of operations of the Parent Guarantor and its Subsidiaries and any material change between the current financial half-year and the corresponding period of the prior year; and

(d) material recent developments (to the extent not previously reported pursuant to Condition 4.5.1(3) or 4.5.1(4) below) affecting the Parent Guarantor and its Subsidiaries;

(3) as soon as they are available, but in any event within 60 days following the end of each of the first and the third financial quarters in each of the Parent Guarantor's Financial Years, an investor report in substantially the form set out in Schedule 6 of the Note Trust Deed (the "**Quarterly Investor Report**");

(4) promptly after the occurrence of any material acquisition, disposition or restructuring of the Parent Guarantor or any of its Subsidiaries, or change in auditors of the Parent Guarantor or any other material event that the Issuer announces publicly, a report containing a description of such event,

and provided further that the reports set forth in Conditions 4.5.1(1), 4.5.1(2), 4.5.1(3) and 4.5.1(4) above will not be required to include separate financial statements for the Issuer, the Intermediate Guarantor or any other Subsidiaries of the Parent Guarantor;

4.5.2 give to the Note Trustee (i) within fifteen days after demand by the Note Trustee and (ii) (without the necessity for any such demand) promptly, as soon as they become available and in any event not later than 120 days after the end of each of the Parent Guarantor's Financial Years a certificate substantially in the form set out in the Note Trust Deed signed by two authorised signatories of the Issuer to the effect that there does not exist and has not

existed since the relevant certification date of the previous certificate (or, in the case of the first such certificate, the Issue Date) any Event of Default;

4.5.3 promptly notify in writing to the Note Trustee of the occurrence of a Senior Trigger Event or a Rating Downgrade Event upon becoming aware of such occurrence without waiting for the Note Trustee to take any further action;

4.5.4 within 10 Business Days after the delivery of the report described in Condition 4.5.1(1), have an annual conference call with the holders of the Notes which shall address the information contained in such report, details of which call shall be made available to Noteholders in advance;

4.5.5 make available copies of all reports required by clauses (1), (2), (3) and (4) of Conditions 4.5.1 on a website maintained by the Issuer and, if and so long as the Notes are listed on the Market and the rules of the Market so require, at the specified office of the Paying Agents at 21 Moorfields, London, EC2Y 9DB, and the Registrar at 2 boulevard Konrad Adenauer, L-1115 Luxembourg; and

4.5.6 following an Initial Public Offering of the Capital Stock of an IPO Entity or the listing of such Capital Stock on an internationally recognised stock exchange, the requirements of clauses (1), (2), (3) and (4) of Condition 4.5.1 above shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange.

### 4.6 Covenants with respect to Senior Obligors

Subject to Condition 4.8, so long as any Notes are outstanding the Issuer and the Guarantors shall each procure that:

4.6.1 other than Permitted Acquisitions or Authorised Investments, no Senior Obligor shall acquire or subscribe for shares or ownership interests in or securities of any company or other person or acquire any business without the prior written consent of the Note Trustee (directed by an Extraordinary Resolution of the Noteholders);

4.6.2 other than a Permitted Disposal or a disposal made in compliance with Condition 4.8 (*Dispositions*), no Senior Obligor may enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, licence, transfer or otherwise dispose of any asset or all or any part of its business or undertaking without the prior written consent of the Note Trustee (directed by an Extraordinary Resolution of the Noteholders);

4.6.3 no modification is agreed by the Senior Obligors to the covenant contained in the Common Terms Agreement regarding Restricted Payments (as defined therein) if this would be more restrictive of the Senior Obligors in any material respect, unless the Note Trustee (directed by an Extraordinary Resolution of the Noteholders) has provided its prior written consent thereto;

4.6.4 no Group Company that is not an Obligor shall make any payment that would constitute a "**Restricted Payment**", as such term is defined in the Common Terms Agreement, directly or indirectly, provided that (1) for purposes hereof, the term "Shareholder" as used in the definition of Restricted Payment in the Common Terms Agreement shall include any Shareholder Affiliate and (2) to the extent such payment is made by a member of the Junior Group, the term "Senior Financing Group Company" as used in the definition of Restricted Payment in the Common Terms Agreement shall be deemed to include such member of the Junior Group (such payment, a "**Group RP**"), except to the Intermediate Holdco or to any other Obligor. The foregoing provision shall not apply to any Group RP if, on a pro forma

basis after the making thereof, the Obligors would have been permitted to be make a Restricted Payment pursuant to Condition 4.2.2(9), or if the Note Trustee (directed by an Extraordinary Resolution of the Noteholders) has provided its prior written consent thereto; and

4.6.5 no modification is agreed by the Senior Obligors to the covenant contained in the Common Terms Agreement regarding Permitted Business (except in connection with a Disposition permitted under Condition 4.8) if this would be more permissive of the Senior Obligors in any material respect, unless the Note Trustee (directed by an Extraordinary Resolution of the Noteholders) has provided its prior written consent thereto.

## 4.7 General Covenants

So long as any Notes are outstanding the Issuer and each Guarantor shall:

4.7.1 comply with and perform all its obligations under the Notes and the Note Trust Deed and the other Transaction Documents;

4.7.2 ensure that at all times any secured and unsubordinated claims of the Note Trustee and each Noteholder against it under the Notes and the Note Trust Deed rank at least *pari passu* to the claims of all its unsecured and unsubordinated creditors, except those creditors whose claims are mandatorily preferred by laws of general application to companies;

4.7.3 hold itself out as a separate entity, conduct its business in its own name and maintain an arm's length relationship with its Affiliates (other than (1) with respect to the Issuer or another Guarantor, (2) any Permitted Payments and (3) any acquisition or disposition made in compliance with Condition 4.8);

4.7.4 observe all formalities required by its articles of association;

4.7.5 pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring material penalties (except to the extent that (a) such payment is being contested in good faith, (b) adequate reserves are being maintained for those Taxes and (c) such payment can be lawfully withheld); and

4.7.6 comply with all judgments, laws, rules, regulations, agreements, orders or decrees to which it is subject, if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

## 4.8 Dispositions

Notwithstanding anything to the contrary in these Conditions:

4.8.1 *Corporate reorganisation within Junior Group*

A Senior Financing Group Company may sell, lease, transfer or otherwise dispose of a business division or other assets (including the Equity Interests of a Subsidiary owning such business division or other assets) to the Issuer, any Guarantor or any of their respective direct Subsidiaries, provided that (A) such transferred business division, assets and/or Equity Interests are subject to the Transaction Security and (B) in the case of a transfer of Equity Interests of a Subsidiary, such Subsidiary is or becomes wholly owned by the Issuer and/or the Guarantors.

4.8.2 *Disposition by Issuer, Guarantor or Senior Financing Group Company*

(1) The Issuer, a Guarantor or a Senior Financing Group Company may sell, lease, transfer or otherwise dispose of a business division or other assets (including the

Equity Interests of a Subsidiary owning such business division or other assets) to a Person that is not a Group Company (each, a "**Disposition**") if:

(a) the Issuer, Guarantor or Senior Financing Group Company receives consideration at the time of the Disposition at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(b) at least 75% of the consideration received in the Disposition by the Issuer, Guarantor or Senior Financing Group Company is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(i) (x) any liabilities, as recorded on the balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet that would be recorded on the next balance sheet) of any Group Company (other than contingent liabilities and other than liabilities that are by their terms subordinated in right of payment to the Notes or any Guarantee), that are assumed by the transferee of any such assets and as a result of which the Junior Group is no longer obligated with respect to such liabilities or (y) Indebtedness of a Group Company that is no longer a Group Company as a result of such Disposition, if each Group Company is released from any guarantee of such Indebtedness as a result of such Disposition;

(ii) any securities, notes or other obligations received by any Group Company from such transferee that are converted by such Group Company into cash or Cash Equivalents within 180 days following the closing of the Disposition, to the extent of the cash or Cash Equivalents received in that conversion;

(iii) any Capital Stock or assets of the kind referred to in Condition 4.8.2(2)(a)(iv) or (vi); and

(iv) consideration consisting of Indebtedness of any Group Company of a type set forth in Condition 4.8.2(2)(a), received from Persons who are not a Group Company.

(2) Within 365 days after the receipt of any Net Proceeds from a Disposition, the Issuer, any Guarantor or any Group Company may:

(a) apply such Net Proceeds (at the option of the Issuer, such Guarantor or such Group Company):

(i) to purchase the Notes pursuant to an offer made on a pro rata basis to all of the holders of Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase (a "**Notes Offer**") or to redeem the Notes pursuant to Condition 6.2;

(ii) (A) to repay Indebtedness of the Issuer or any Guarantor Incurred under Condition 4.1.2(1) or (B) to repay any Senior Debt of the Senior Financing Group (and any corresponding Indebtedness of the Senior Issuer) and, in each case, if the Indebtedness repaid is revolving credit

Indebtedness, to correspondingly reduce commitments with respect thereto;

(iii) to purchase, prepay or redeem or repay any Indebtedness that is only secured by Liens on assets or property that do not constitute Collateral and, if the Indebtedness prepaid, redeemed or repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto;

(iv) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Subsidiary (subject, in the case of an acquisition by the Issuer or a Guarantor, to compliance with Condition 4.4.6);

(v) to make a capital expenditure;

(vi) to acquire other assets (other than Capital Stock, cash and Cash Equivalents) that are used or useful in a Permitted Business; or

(vii) any combination of the foregoing; or

(b) enter into a binding commitment to apply the Net Proceeds pursuant to paragraphs (iv), (v) or (vi) of Condition 4.8.2(2)(a); provided that such commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (i) the date on which such acquisition or expenditure is consummated, and (ii) the 180th day following the expiration of the aforementioned 365 day period.

(3) Pending the final application of any Net Proceeds, the Issuer, a Guarantor or another Group Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Conditions.

(4) Any Net Proceeds from Dispositions that are not applied, invested or subject to a Notes Offer as provided in Condition 4.8.2(2) will constitute "**Excess Proceeds**". When the aggregate amount of Excess Proceeds exceeds £50 million, within 10 Business Days thereof, or at any earlier time at the Issuer's election, the Issuer will make an offer (a "**Disposition Offer**") to all holders of Notes and, to the extent notified by the Issuer in such notice, make an offer to all holders of other Indebtedness that is pari passu with the Notes or any Guarantee to purchase, prepay or redeem with the proceeds of sales of assets, the maximum principal amount of Notes and such other pari passu Indebtedness (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith) that may be purchased, prepaid or redeemed out of the Excess Proceeds. The offer price for the Notes in any Disposition Offer will be equal to 101% of the principal amount and the offer price for any pari passu Indebtedness may be no greater than 100% of the principal amount, in each case, plus accrued and unpaid interest and additional amounts, if any, to the date of purchase, prepayment or redemption, subject to the rights of holders of Notes on the relevant record date to receive interest due on the relevant Interest Payment Date, and will be payable in cash. If any Excess Proceeds remain after consummation of a Disposition Offer or any Net Proceeds subject to a Notes Offer remain after consummation of a Notes Offer, the Issuer, the Guarantors and any other Group Company may use those Excess Proceeds or Net Proceeds for any purpose not otherwise prohibited by the Conditions.

If the aggregate principal amount of Notes and other pari passu Indebtedness tendered into (or to be prepaid or redeemed in connection with) such Disposition Offer exceeds the amount of Excess Proceeds or if the aggregate amount of Notes tendered pursuant to a Notes Offer exceeds the amount of the Net Proceeds so applied, the Notes will be selected in the manner described under Condition 6.5, based on the amounts tendered or required to be prepaid or redeemed. The Issuer shall procure the delivery by an agent to the Noteholders of the purchase price of Notes validly tendered and not withdrawn and arrange for the deduction of the appropriate amounts of Notes from such Noteholders' accounts with the relevant clearing systems. Any Note not so accepted will be promptly mailed or delivered (or transferred by book entry) by the Issuer to the Noteholder thereof. Upon completion of each Disposition Offer, the amount of Excess Proceeds will be reset at zero. For the avoidance of doubt, the Issuer may make a Disposition Offer prior to the expiration of the 365-day period referred to above. None of the Paying Agent, the Note Trustee nor the Registrar will be liable for any selections made in accordance with or pursuant to this paragraph.

(5) To the extent that any portion of Net Proceeds payable in respect of the Notes is denominated in a currency other than pound sterling, as the case may be, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in pound sterling that is actually received by the Issuer upon converting such portion of the Net Proceeds into pound sterling.

(6) The Issuer will comply with the requirements of any applicable securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Disposition Offer or a Notes Offer. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control, Disposition Offer or Notes Offer provisions of these Conditions, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Conditions by virtue of such compliance.

## 4.9 Amendments to the Intercreditor Agreement and any Additional Intercreditor Agreements

4.9.1 In connection with the Incurrence of any Indebtedness by the Issuer or any Subsidiary of the Issuer that is permitted to share the Collateral, the Note Trustee and the Security Trustee shall, at the written request of the Issuer and without the consent of the Noteholders, enter into with the Issuer and/or the relevant Subsidiary and the holders of such Indebtedness (or their duly authorised representatives) one or more intercreditor agreements or deeds (including a restatement, replacement, amendment or other modification of the Intercreditor Agreement) (an "**Additional Intercreditor Agreement**"), on substantially the same terms as the Intercreditor Agreement (or terms not materially less beneficial to the Noteholders), including with respect to release of Guarantees and priority and release of security interests in respect of the Collateral; provided that such Additional Intercreditor Agreement will not impose any personal obligations on the Note Trustee or Security Trustee or, in the reasonable opinion of the Note Trustee or Security Trustee, adversely affect the personal rights, duties, liabilities, indemnification or immunities of the Note Trustee or the Security Trustee under the Trust Deed, these Conditions or the Intercreditor Agreement; and provided further that:

(a) the Issuer certifies to the Note Trustee and the Security Trustee in writing that entering into the Additional Intercreditor Agreement is substantially on the same terms as the Intercreditor Agreement (or terms not materially less beneficial to the Noteholders),

including with respect to release of Guarantees and priority and release of security interests in respect of the Collateral; and

(b) the Issuer pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) incurred by the Note Trustee and the Security Trustee in connection with such Additional Intercreditor Agreement.

In connection with the foregoing, the Issuer shall furnish to the Note Trustee and the Security Trustee such further documentation in relation thereto as it may reasonably require.

4.9.2 In the event that (i) the Additional Intercreditor Agreement is not substantially on the same terms as the Intercreditor Agreement and the Issuer is not able to certify that the terms of the Additional Intercreditor Agreement are not materially less beneficial to the Noteholders, the Note Trustee shall only enter into the Additional Intercreditor Agreement if it is approved by an Extraordinary Resolution of the Noteholders.

4.9.3 At the written request of the Issuer and without the consent of the Noteholders, the Note Trustee and the Security Trustee shall from time to time concur in making one or more amendments and/or restatements to the Intercreditor Agreement or any such Additional Intercreditor Agreement that the Issuer determines is necessary for the purpose of: (1) the Incurrence of Indebtedness permitted under these Conditions (including the addition of provisions relating to new types of Indebtedness), (2) adding Guarantors or other parties (such as representatives of new Incurrences of Indebtedness) thereto, (3) permitting payments to be made to the Issuer that would not otherwise have been permitted pursuant to the terms thereof, (4) further securing the Notes, (5) making provision for equal and ratable Security over the Collateral to secure Further Notes and (6) making provisions for Security over the Collateral to implement any Permitted Collateral Liens (each such amendment and/or restatement to the Intercreditor Agreement or any such Additional Intercreditor Agreement being an "ICA Amendment"), provided that:

(1) the Issuer certifies to the Note Trustee and the Security Trustee in writing that such amendment(s) and/or restatement to the Intercreditor Agreement or any such Additional Intercreditor Agreement is solely for the purpose set out in the relevant paragraph above of this Condition 4.9.2 (the "**ICA Amendment Certificate**");

(2) the Issuer pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) incurred by the Note Trustee and the Security Trustee in connection with such ICA Amendment;

(3) the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely and without investigation or liability on any ICA Amendment Certificate or other certificate or evidence provided to it by the Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying; and

(4) neither the Note Trustee nor the Security Trustee shall be obliged to agree to any amendment which, in the sole opinion of the Note Trustee and/or the Security Trustee would have the effect of (i) exposing the Note Trustee and/or the Security Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction or (ii) increasing the obligations or duties, or decreasing the rights, powers, authorisations, discretions, indemnification or protections, of the Note Trustee and/or the Security Trustee in the Transaction Documents and/or these Conditions.

4.9.4 Neither the Note Trustee nor the Security Trustee shall be responsible or liable in damages or otherwise to any party or person for any loss incurred by reason of the Note Trustee and/or the Security Trustee consenting to or concurring in such amendments, modifications and/or restatements.

4.9.5 The Issuer shall not otherwise request the Note Trustee or the Security Trustee to enter into any amendment to the Intercreditor Agreement or, if applicable, any Additional Intercreditor Agreement, except to the extent approved by an Extraordinary Resolution of the Noteholders or as permitted by the terms of such Intercreditor Agreement or, if applicable, any Additional Intercreditor Agreement.

4.9.6 Each Noteholder, by accepting a Note, shall be deemed to have agreed to and to have accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement (including, in each case, the limitations on payment, enforcement and the obligations to turnover contained therein) whether then entered into or entered into in the future pursuant to the provisions described in this Condition 4.9, and to have authorised the Note Trustee and the Security Trustee to enter into the Intercreditor Agreement and any Additional Intercreditor Agreement on each Noteholder's behalf.

4.9.7 The Conditions are subject to the terms of the Intercreditor Agreement and/or any Additional Intercreditor Agreement.

## 5 INTEREST

### 5.1 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from and including the date for its redemption unless upon due presentation in accordance with Condition 7 (*Payments*), payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

5.1.1 the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of the Transaction Security have been delivered; and

5.1.2 five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15 (*Notices*).

### 5.2 Interest Rate and Interest Payment Dates

The Notes bear interest on their respective Outstanding Principal Amounts from and including the Issue Date at the rate of 8.625% per annum (the "**Interest Rate**"), payable semi-annually (except for a short first and last Interest Period) in arrear on 31 March and 30 September in each year and on the Maturity Date (each an "**Interest Payment Date**") in respect of the Interest Period (as defined below) ended immediately prior thereto. The first payment shall be due on 30 September 2025. The period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or, in the case of the last Interest Period, the Maturity Date) is called an "Interest Period".

### 5.3 Calculation of Fixed Rate Interest

Interest in respect of the Notes shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

The interest amount payable by the Issuer for any Interest Period shall be calculated by:

5.3.1 while the Notes are represented by a Global Certificate, multiplying the Interest Rate by the Outstanding Principal Amount of the Notes represented by such Global Certificate; or

5.3.2 while the Notes are in definitive form, for any given definitive note, multiplying the Interest Rate by the Outstanding Principal Amount of such definitive note.

The resulting figure shall be rounded downwards to the nearest penny.

## 6 REDEMPTION, PURCHASE AND CANCELLATION

### 6.1 Final Redemption

If any class of the Notes have not previously been redeemed in full, or purchased and cancelled, the Notes will be finally redeemed at the then Outstanding Principal Amount plus accrued but unpaid interest on 1 July 2030 (the "**Maturity Date**").

### 6.2 Optional Redemption

6.2.1 At any time after the Issue Date but prior to 1 July 2027, the Issuer may on any one or more occasions, upon not less than 10 nor more than 60 days' notice to the Noteholders, copied to the Note Trustee, redeem all or a part of the Notes at a redemption price equal to 100% of the principal amount of the Notes redeemed, plus the Applicable Premium as of, and accrued and unpaid interest and additional amounts, if any, to the date of redemption, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant Interest Payment Date.

6.2.2 On or after 1 July 2027, the Issuer may on any one or more occasions redeem all or a part of the Notes, upon not less than 10 nor more than 60 days' notice to the Noteholders, copied to the Note Trustee, at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest and additional amounts, if any, on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on 1 July of the years indicated below, subject to the rights of holders of the Notes on the relevant record date to receive interest on the relevant Interest Payment Date:

| **Date** | **Notes** |
|---|---|
| 2027 | 104.3125% |
| 2028 | 102.1563% |
| 2029 | 100.0000% |

6.2.3 Unless the Issuer defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

6.2.4 Any redemption or notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, provided that no notice of redemption shall be revocable after two Business Days prior to the date specified for redemption in any such notice of redemption.

### 6.3 Redemption for Taxation or Other Reasons

If at any time the Issuer certifies to the Note Trustee that:

6.3.1 by reason of a change in law (or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, the Issuer would, on the next Interest Payment Date, become obliged to deduct or withhold from any payment of interest, premium or principal in respect of the Notes (other than in respect of default interest), any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the UK or any political subdivision thereof, or any other authority thereof or any change in the application or official interpretation of such laws or regulations ("**Taxes**");

6.3.2 the Issuer or any Paying Agent would be required to deduct or withhold any amount from any payment in respect of any Notes pursuant to FATCA;

6.3.3 the Intercompany Borrower would on the next Interest Payment Date be required to make any withholding or deduction for or on account of any Taxes from payments under the Intercompany Loan Agreement in respect of any Intercompany Loan corresponding to the Notes; or

6.3.4 by reason of a change of law (or the application or official interpretation thereof), which change becomes effective on or after the Issue Date, it has or will become unlawful for the Issuer to perform any of its obligations under the Intercompany Loan Agreement in respect of any Intercompany Loan corresponding to the Notes or to fund or to maintain its participation in any Intercompany Loan corresponding to the Notes,

then the Issuer may, in order to prevent the relevant deduction, withholding or illegality but is not obliged to, use its reasonable endeavours to arrange the substitution of a company incorporated under the laws of another jurisdiction approved by the Note Trustee as principal debtor under the Notes and as lender under the Intercompany Loan Agreement upon satisfying the conditions for substitution of the Issuer as set out in Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*). The Issuer may, upon giving not more than 15 nor less than five Business Days' notice to the Note Trustee and the Noteholders in accordance with Condition 15 (*Notices*), redeem all (but not some only) of the Notes at any time at their Outstanding Principal Amount plus accrued but unpaid interest thereon. Before giving any such notice of redemption, the Issuer shall provide to the Note Trustee a certificate signed by an authorised signatory of the Issuer (a) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have been satisfied (together with evidence satisfactory to the Note Trustee that such conditions have been satisfied, including such legal opinions as the Note Trustee may require) and (b) confirming that the Issuer will have sufficient funds on such Interest Payment Date to effect such redemption and to discharge any amounts to be paid in priority to, or *pari passu* with, the Notes being redeemed.

## 6.4 Change of Control

6.4.1 If at any time there occurs a Change of Control, a "**Change of Control Event**" shall be deemed to have occurred. Within 30 days following a Change of Control Event, the Issuer shall give notice to the Noteholders, copied to the Note Trustee, of the occurrence of such Change of Control Event (such notice, a "**Change of Control Event Notice**"), any such notice to be delivered to the Noteholders in accordance with the provisions of Condition 15 (Notices). The Issuer shall specify in the Change of Control Event Notice the date on which the tendered Notes will be repurchased (the "**Change of Control Payment Date**"), which date will be no earlier than 30 days and no later than 60 days from the date such Change of Control Event Notice is mailed or delivered. Upon the Issuer receiving at least five Business Days' notice from any Noteholder (any such notice, a "**Put Event Notice"**), the Notes of such Noteholder as specified in the Put Event Notice shall become due and repayable on the Change of Control Payment Date and the Issuer will redeem each Note which is the subject

of such Put Event Notice on the Change of Control Payment Date at 101% of its principal amount together with interest accrued to (but excluding) the Change of Control Payment Date (the Change of Control Payment).

6.4.2 The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Condition 6.4 and the related provisions of the Agency Agreement, the Issuer will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Condition 6.4 and the related provisions of the Agency Agreement by virtue of compliance with such securities laws or regulations.

6.4.3 Pursuant to the above provisions, any Noteholder having the right to require early redemption of any Notes held by it pursuant to this Condition 6.4, to exercise the right to require redemption of such Notes such Noteholder must, if such Note is in definitive form and held outside Euroclear, Clearstream, Luxembourg, as the case may be, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent prior to the Change of Control Payment Date, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Exercise Notice**") and in which the Noteholder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.4 accompanied by such Note or evidence satisfactory to the Paying Agent concerned that such Note will, following delivery of the Put Exercise Notice, be held to its order or under its control. If such Note is represented by a Global Certificate or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of such Notes the holder of such Note must, prior to the Change of Control Payment Date, give notice to the Paying Agent of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as the case may be, (which may include notice being given on instruction of the relevant Noteholder by Euroclear or Clearstream, Luxembourg, as the case may be, or any common service provider for them to the Paying Agent by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, from time to time and, if such Note is represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the Paying Agent for notation accordingly.

6.4.4 Any Put Exercise Notice or other notice given by a holder of any Note in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg, as the case may be, pursuant to this Condition 6.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Note Trustee has declared the Notes to be due and repayable pursuant to Condition 9 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4.

6.4.5 The Issuer will not be required to give a Change of Control Event Notice in connection with a Change of Control if (1) a third party gives a Change of Control Event Notice in the manner, at the times and otherwise in compliance with the requirements set forth in these Conditions applicable to a Change of Control Event Notice given by the Issuer and purchases all Notes properly tendered and not withdrawn pursuant to a Put Event Notice, or (2) a notice of redemption has been given pursuant to Condition 6.2, unless and until there is a default in payment of the applicable redemption price. Notwithstanding anything to the contrary contained in this Condition 6.4, a Change of Control Event Notice may be given in advance

of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Event Notice is given.

6.4.6 If Noteholders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes pursuant to a Put Event Notice and the Issuer, or any third party giving a Change of Control Event Notice in lieu of the Issuer as described above, purchases all of the Notes validly tendered and not withdrawn by such Noteholders, the Issuer or such third party will have the right, upon not less than 30 days nor more than 60 days' prior notice (provided that such notice is given not more than 30 days following such purchase pursuant to the Change of Control Event Notice described above) to redeem all Notes that remain outstanding following such purchase at a redemption price in cash equal to the applicable Change of Control Payment plus, to the extent not included in the Change of Control Payment, accrued and unpaid interest and additional amounts, if any, on the Notes to, but excluding, the date of redemption.

## 6.5 Selection and Notice

6.5.1 In the case of a partial redemption, the Notes shall be selected for redemption either (a) in accordance with the procedures of the relevant clearing systems; or (b) if the relevant clearing systems prescribe no method of selection or the Notes are not held in a clearing system, the Notes shall be redeemed on a pro rata basis according to the holding of each Noteholder; subject, in each case, to compliance with any applicable laws and stock exchange or other relevant regulatory requirements. None of the applicable Paying Agent, the Note Trustee nor the Registrar will be liable for any selections made by it in accordance with this paragraph.

6.5.2 No notes of £100,000 in principal amount or less shall be redeemed in part; provided that the Notes in excess of £100,000 may be redeemed in part in integral multiples of £1,000.

6.5.3 If any series of Notes is to be redeemed in part only, the notice of redemption that relates to that series of Notes shall state the portion of the principal amount thereof to be redeemed. In the case of a Note in definitive form, a new Definitive Note in a principal amount equal to the unredeemed portion of any Definitive Note redeemed in part will be issued in the name of the Noteholder thereof upon cancellation of the original Definitive Note. In the case of a Note represented by a Global Certificate, an appropriate notation will be made on such Global Certificate to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. If such redemption is subject to the satisfaction of one or more conditions precedent, the related notice may, for the avoidance of doubt, state that, in the Issuer's discretion, the redemption date may be automatically delayed until such time as any or all such conditions shall be satisfied or waived (provided that in no event shall such date of redemption be delayed to a date later than 60 days after the date on which such notice was sent), or such redemption may not occur and such notice may be rescinded if any or all such conditions shall not have been satisfied or waived by the redemption date, or by the redemption date so delayed.

## 6.6 Purchase of Notes

6.6.1 The Issuer or any Obligor may, at any time, purchase Notes in the open market or otherwise at any price.

6.6.2 All such Notes purchased by the Issuer must be surrendered to any Paying Agent and/or the Registrar for cancellation. All Notes purchased by any Guarantor may be held, resold or, at the option of the relevant Guarantor, may be surrendered to any Paying Agent and/or the

Registrar for or to the order of the Principal Paying Agent or the Registrar, as the case may be, for cancellation in accordance with Condition 6.7 (*Cancellation*).

6.6.3 If not all the Notes which are in registered and definitive form are to be purchased, upon surrender of the existing Definitive Note, the Registrar shall forthwith upon the written request of the Noteholder concerned issue a new Definitive Note in respect of the Notes which are not to be purchased and despatch such Definitive Note to the Noteholder (at the risk of the Noteholder and to such address as the Noteholder may specify in such request).

6.6.4 While the Notes are represented by a Global Certificate, the relevant Global Certificate will be endorsed to reflect the Outstanding Principal Amount of Notes to be so purchased and cancelled.

### 6.7 Cancellation

Any Notes purchased by or on behalf of the Issuer must be surrendered to or to the order of any Paying Agent or the Registrar, as the case may be, for cancellation and, if so surrendered, will, together with all Notes redeemed by the Issuer or Notes purchased and surrendered by either Guarantor in accordance with Condition 6.6 (*Purchase of Notes*), be cancelled forthwith. Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantors in respect of any such Notes shall be discharged.

## 7 PAYMENTS

### 7.1 Payments of principal and interest

7.1.1 Payments of principal and premium, if any, in respect of Notes will be made to the holder (or the first named of joint holders) of such Note against presentation and surrender of the relevant Note at the specified office of the Registrar.

7.1.2 Interest on Notes payable on any Interest Payment Date will be paid to the holder (or the first named of joint holders) (i) in respect of a Global Certificate, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) in respect of a Note in definitive form, on the 15th day before the due date for payment thereof (the "**Record Date**"). Payment of interest on each Note will be made in the currency in which such payment is due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the register. Upon application by the Noteholder to the specified office of the Registrar before the relevant Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

7.1.3 On the occasion of each payment a record of each payment so made will be endorsed on the schedule to the Global Certificate or the Note in definitive form by or on behalf of the Principal Paying Agent or the Registrar, as the case may be, which endorsement shall be *prima facie* evidence that such payment has been made.

7.1.4 Holders of Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Note as a result of a cheque posted in accordance with this Condition 7 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Notes.

7.1.5 None of the Issuer, the Note Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### 7.2 General Provisions Applicable To Payments

The holder of a Global Certificate shall be the only person entitled to receive payments in respect of Notes represented by such Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Certificate.

### 7.3 Payment Day

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which (subject to Condition 11 (*Prescription*)) is:

7.3.1 (in the case of Notes in definitive form only) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation; and

7.3.2 in relation to any sum payable in respect of the Notes, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

### 7.4 Payments subject to fiscal laws; payments on Global Certificates

7.4.1 All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of this Condition 7. No commission or expenses shall be charged to the Noteholders in respect of such payments.

7.4.2 The holder of a Global Certificate shall be the only person entitled to receive payments of principal, premium, if any, and interest on the Global Certificate (as the case may be) and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount paid.

### 7.5 Appointment of the Agents

7.5.1 The Agents appointed by the Issuer (and their respective specified offices) are listed in the Agency Agreement. The Agents act solely as agents of the Issuer (and, in the circumstances as set out in the Agency Agreement, the Note Trustee) and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right, with the prior written consent of the Note Trustee, at any time to vary or terminate the appointment of any Agent, and to appoint additional or other agents, provided that the Issuer will at all times maintain:

(1) a Principal Paying Agent;

(2) a Registrar which, for so long as the Notes are listed on the Market, shall have offices in London;

(3) an Agent Bank;

(4) a transfer agent in Luxembourg (the "**Transfer Agent**"); and

(5) one or more paying agents (each, a "**Paying Agent**"), including, for so long as the Notes are listed on the London Stock Exchange's International Securities Market (the "**Market**"), a paying agent in the United Kingdom (the "**Paying Agent**"). Notice of any such variation, termination, resignation or appointment shall be given promptly to the Noteholders in accordance with Condition 15 (*Notices*).

7.5.2 The initial Registrar will be Deutsche Bank Luxembourg S.A. in Luxembourg. The initial Transfer Agent will be Deutsche Bank Luxembourg S.A. in Luxembourg.

7.5.3 The Registrar will maintain a register reflecting ownership of the Notes outstanding from time to time and will facilitate transfer of the Notes on behalf of the Issuer.

7.5.4 The Issuer may change any Paying Agents, the Registrar or the Transfer Agent without prior notice to the holders of Notes. For so long as the Notes are listed on the Market and the rules of the Market so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent on the official website of the London Stock Exchange.

## 8 TAXATION

8.1 All payments in respect of the Notes will be made (whether by the Issuer, either Guarantor, any Paying Agent or the Note Trustee) free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature unless the Issuer, either Guarantor, any Paying Agent or the Note Trustee, as the case may be, is required by applicable law to make any payment in respect of the Notes, subject to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature. In that event, the Issuer, such Guarantor, such Paying Agent or the Note Trustee, as the case may be, shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted, but without limitation to Condition 6.3 (Redemption for Taxation or Other Reasons). The Issuer, the Guarantors, any Paying Agent, the Registrar or the Note Trustee may require holders to provide such certifications and other documents as required by applicable law in order to qualify for exemptions from applicable tax laws.

8.2 The Issuer or, as the case may be, the Guarantors will pay such additional amounts in respect of any taxes imposed by the Tax Jurisdiction as shall be necessary in order that the net amounts received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of principal and premium (if applicable) and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction in respect of such taxes, except that no such additional amounts shall be payable with respect to any Note:

8.2.1 the holder of which is liable for such taxes or duties in respect of such Note by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note; or

8.2.2 presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.3 (Payment Day)).

As used herein:

(1) "**Tax Jurisdiction**" means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and

(2) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Note Trustee or the relevant Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15 (*Notices*).

8.3 For the avoidance of doubt, payments will be subject in all cases, to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement). Any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

## 9 EVENTS OF DEFAULT

### 9.1 Events of Default

Each and any of the following events will be an Event of Default:

9.1.1 Non-payment: if default is made in the payment of any principal, premium or interest due in respect of the Notes or any of them and the default continues for a period of five days in the case of principal or premium or 30 days in the case of interest;

9.1.2 [Reserved];

9.1.3 Breach of other obligations: if the Issuer, any Guarantor or an Intra Group Lender fails to perform or observe any of its other obligations under these Conditions, the Note Trust Deed or any other Transaction Document to which it is a party and (except in any case where the Note Trustee or, in the case of the Security Agreement, the Security Trustee considers the failure to be incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for a period of 60 days (or such longer period as the Note Trustee may permit) of the earlier of (1) the service by the Note Trustee or, as the case may be, the Security Trustee on the Issuer of notice requiring the same to be remedied or (2) the party that failed to perform or observe its obligation becoming aware of the failure to comply.

9.1.4 Non-payment cross default and cross acceleration:

(1) there is a failure to pay on any Indebtedness of an Obligor (other than in relation to the Notes) within the applicable grace period, provided that the aggregate amount of the Indebtedness which is incurred under a Transaction Document in respect of which the events mentioned in this Condition 9.1.4(1) have occurred equals or exceeds £10,000,000 (as adjusted by the RPI on the first day of each Financial Year) or its equivalent; or

(2) any Indebtedness owed by an Obligor (other than in relation to the Notes) is declared to be, or otherwise becomes, due and payable prior to its specified maturity date by reason of any actual event of default (howsoever described), provided that the aggregate amount of the Indebtedness in respect of which the events mentioned in this Condition 9.1.4(2) have occurred equals or exceeds £25,000,000 (as adjusted by the RPI on the first day of each Financial Year) or its equivalent;

9.1.5 *Enforcement proceedings*: expropriation, sequestration, distress, attachment or execution is enforced against any material part of the property, assets or revenues of any Obligor and is not discharged within 30 days;

9.1.6 *Security enforced*: any security granted by any Obligor becomes enforceable and steps are taken to enforce it;

9.1.7 *Insolvency*: any Obligor (A) is insolvent, bankrupt, unable to pay its debts as they fall due, (B) suspends making payments on any of its debts or a moratorium is declared in respect of any of its indebtedness, (C) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness, or (D) makes a general assignment for the benefit of or a composition with its creditors;

9.1.8 *Winding up*: an administrator is appointed to any Obligor, an order for the winding-up or dissolution is passed of any Obligor, any Obligor applies for winding-up or administration in respect of itself or any Obligor ceases to carry on all or substantially all of its business;

9.1.9 *Analogous events*: any event which has analogous effect to paragraphs 9.1.5 to 9.1.8 above occurs in relation to any Obligor;

9.1.10 *Ownership*: the Parent Guarantor ceases to be wholly-owned and controlled by AF No 3 or the Issuer and the Intermediate Guarantor cease to be wholly-owned and controlled by the Parent Guarantor or Intermediate HoldCo ceases to be wholly-owned and controlled by the Intermediate Guarantor or the Senior Parent ceases to be wholly-owned and controlled by Intermediate HoldCo;

9.1.11 *Illegality*: (1) it becomes unlawful for the Issuer, any Guarantor or an Intra Group Lender to perform or comply with any one or more of its material obligations under the Notes, the Note Trust Deed and the other Transaction Documents or (2) any Transaction Security created or expressed to be created or evidenced by the Security Agreement ceases to be effective or (3) any Transaction Document ceases to be in full force and effect or any Lien or any subordination created under the Intercreditor Agreement ceases to be legal, valid, binding, enforceable or effective;

9.1.12 *Guarantee*: the Guarantee of the Notes, the Security Agreement or the Intercreditor Agreement are not in full force and effect;

9.1.13 *Senior Financing payment default or cross acceleration*: a non-payment Senior Obligor Event of Default occurs under the Common Terms Agreement or any Senior Debt is declared to be or otherwise becomes due and payable prior to its maturity date by reason of a Senior Obligor Event of Default under the Common Terms Agreement;

9.1.14 *Expropriation*: the authority or ability of any Obligor to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person;

9.1.15 *Repudiation and rescission of agreements*: an Obligor rescinds or purports to rescind or repudiates or purports to repudiate the Note Trust Deed or any other Transaction Document or any of the Transaction Security or evidences an intention to rescind or repudiate the Note Trust Deed or any other Transaction Document or any Transaction Security or an Intra Group Lender rescinds or purports to rescind or repudiates or purports to repudiate the Intercreditor Agreement in whole or in part; and

9.1.16 *Litigation*: any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced against the Issuer or any Guarantor (or against any of their directors) or any of their respective assets which have or are reasonably likely to have a Material Adverse Effect.

**9.2 Delivery of an Issuer Acceleration Notice**

9.2.1 If any Event of Default occurs the Note Trustee: (i) may, at any time, at its discretion and (ii) shall, upon being so directed in writing by the holders of at least one-quarter in aggregate Outstanding Principal Amount of any class of the Notes then outstanding or if so directed by an Extraordinary Resolution of any class of the Noteholders deliver a notice (the "**Issuer Acceleration Notice**") to the Issuer provided that, in both cases, it is indemnified and/or secured and/or prefunded to its satisfaction (but, in the case of the happening of any of the events described in Condition 9.1.3, only if the Note Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders).

9.2.2 Upon delivery of an Issuer Acceleration Notice, the Notes then outstanding shall thereby immediately become due and repayable at their respective Outstanding Principal Amount plus accrued but unpaid interest as provided in the Note Trust Deed.

**9.3 Confirmation of no Event of Default**

The Issuer, pursuant to the terms of the Note Trust Deed, shall provide written confirmation to the Note Trustee, on an annual basis (and at any other time on the request of the Note Trustee), that no Event of Default has occurred.

**9.4 Consequences of the delivery of an Issuer Acceleration Notice**

Upon delivery of an Issuer Acceleration Notice in accordance with Condition 9.2 (*Delivery of an Issuer Acceleration Notice*) the Transaction Security shall become enforceable by the Security Trustee in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement.

## 10 ENFORCEMENT AGAINST ISSUER AND GUARANTORS

10.1 The Note Trustee may, at any time, at its discretion and without notice, take such action under or in connection with any of the Transaction Documents as it may think fit (including, without limitation, directing the Security Trustee to take any action under or in connection with any of the Transaction Documents or, after the occurrence of an Event of Default, (subject to the Intercreditor Agreement or any Additional Intercreditor Agreement) to take steps to enforce the Transaction Security), provided that:

10.1.1 the Note Trustee shall not be bound to take any such action unless it shall have been so directed by an Extraordinary Resolution of the Noteholders or so directed in writing by the holders of at least one-quarter in aggregate Outstanding Principal Amount of the Notes;

10.1.2 (except where expressly provided otherwise) the Security Trustee shall not, and shall not be bound to, take any such action unless it shall have been so directed by (i) the Note Trustee and/or (ii) any or all of the Secured Creditors (other than the Note Trustee and the Noteholders) in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement; and

10.1.3 neither the Note Trustee nor the Security Trustee shall be bound to take any such action unless it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

10.2 No Noteholder or other Secured Creditor is entitled to take any action against the Issuer or against any assets of the Issuer to enforce its rights in respect of the Notes or to enforce any of the Transaction Security unless the Note Trustee or, as the case may be, the Security Trustee, having

become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect is continuing.

## 11 PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## 12 REPLACEMENT OF NOTES

If any Note is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and requirements of the London Stock Exchange, at the specified office of the Principal Paying Agent or, as the case may be, the Registrar, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

## 13 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

### 13.1 Meetings of Noteholders, Modifications and Waiver

13.1.1 The Note Trust Deed contains provisions for convening meetings of holders of one or more classes of the Notes, to consider matters affecting their interests, including the modification of these Conditions, the Note Trust Deed and any other Transaction Document and any other document to which the Note Trustee is a party or in relation to which the Security Trustee holds security. Subject to Condition 13.2 (*Modification and waiver*) and Condition 4.9.2, any modification may be made if sanctioned by a resolution passed at a meeting or meetings of the Noteholders of the relevant class or classes duly convened and held in accordance with the Note Trust Deed by a majority of not less than three-quarters of the votes cast (an "**Extraordinary Resolution**") of such Noteholders. Such a meeting may be convened by the Note Trustee or the Issuer and shall be convened by the Issuer upon the request in writing of the Noteholders holding not less than one-tenth of the aggregate Outstanding Principal Amount of the outstanding Notes of the relevant class.

13.1.2 The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more persons holding or representing not less than 50% of the aggregate Outstanding Principal Amount of the relevant outstanding Notes or, at any adjourned meeting, one or more persons being or representing Noteholders, whatever the Outstanding Principal Amount of the relevant outstanding Notes held or represented, provided, however, that certain proposals (the "**Basic Terms Modifications**") in respect of any particular class of Notes, being any proposal:

(1) to change any date fixed for payment of principal or interest in respect of such Notes, to change the amount of principal or the rate of interest payable on any date in respect of such class of Notes or (other than as specified in Conditions 6 (*Redemption, Purchase and Cancellation*) and 7 (*Payments*)) to alter the method of calculating the amount of any payment in respect of such Notes on redemption or maturity;

(2) other than pursuant to Condition 13.2 (*Modification and waiver*), to effect the exchange, conversion or substitution of such Notes for, or their conversion into shares, Notes or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed and/or for cash;

(3) to change the currency in which amounts due in respect of such Notes are payable;

(4) to change the quorum required at any meeting or the majority required to pass an Extraordinary Resolution;

(5) the sanctioning of any such scheme or proposal or substitution as is described in paragraphs 20(i) and 20(j) of Schedule 5 of the Note Trust Deed;

(6) to change (a) the requirements to redistribute any recoveries made other than in accordance with the priority of payments; (b) the priority of payments and/or the subordination arrangements; or (c) the right to give instructions to the Security Trustee and subject to the provisions concerning meetings of particular combinations of classes of Notes as set out in this Condition 13 and the Note Trust Deed; or

(7) to amend this definition or this Condition 13,

may be sanctioned only by an Extraordinary Resolution passed at a meeting of holders of such class of Notes at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate Outstanding Principal Amount of the relevant outstanding Notes form a quorum. Any resolution duly passed at any such meeting shall be binding on all the relevant Noteholders whether present or not.

13.1.3 In addition, a resolution in writing signed, or an approval given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s), in each case, by or on behalf of the holders of not less than 75% or (in the case of any Basic Terms Modification) 90% of the aggregate Outstanding Principal Amount of the relevant class or classes of Notes will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more relevant Noteholders.

13.1.4 A meeting of such Noteholders will also have the power (exercisable by Extraordinary Resolution) to advise or instruct the Note Trustee (including to instruct the Note Trustee to instruct the Security Trustee) in connection with the exercise by the Note Trustee and/or the Security Trustee (at the direction of the Note Trustee), as the case may be, of any of their rights, powers and discretions under the Note Trust Deed, the Security Agreement or the other Transaction Documents including to appoint any persons (whether Noteholders or not) as a committee to represent the interests of such Noteholders and to confer upon such committee any powers which such Noteholders could themselves exercise by Extraordinary Resolution

## 13.2 Modification and waiver

13.2.1 The Note Trustee may (subject to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement and subject to Condition 4.9 (*Amendments to the Intercreditor Agreement and any Additional Intercreditor Agreement)*), without the consent of the Noteholders or (subject as provided below) any other Secured Creditor, concur with, or direct the Security Trustee to concur with, the Issuer, any Guarantor or any other relevant parties in making (i) any modification to these Conditions, Notes, the Note Trust Deed, the Security Agreement or the other Transaction Documents or other document to which the Note Trustee or the Security Trustee is a party or, in respect of which the Security Trustee holds security, if in the opinion of the Note Trustee such modification is made to correct a manifest error or is of a formal, minor or technical nature or (ii) any modification (other than a Basic Terms Modification) to these Conditions, Notes, the Note Trust Deed, the Security Agreement or the other Transaction Documents (subject as provided in the Intercreditor Agreement or any Additional Intercreditor Agreement) or other document to which the Note Trustee or the Security Trustee is a party or in respect of which the Security Trustee holds security, if the Note Trustee is of the opinion that such modification is not materially prejudicial to the interests of the Noteholders then outstanding, provided that any modification that has the

effect of changing or which relates to (i) the requirements to redistribute any recoveries made other than in accordance with the priority of payments; (ii) the priority of payments and/or the subordination arrangements; or (iii) the right to give instructions to the Security Trustee shall not be made without being approved by an Extraordinary Resolution of the Noteholders, the Facility Providers and the Security Trustee. The Note Trustee and the Security Trustee are authorised to execute and deliver on behalf of each Secured Creditor all documentation required to implement such modification in accordance with these Conditions and such execution by the Note Trustee and/or the Security Trustee, as the case may be, shall bind each of the Noteholders and such Secured Creditors as if (in the case of such Secured Creditors) such documentation had been duly executed by it.

13.2.2 The Note Trustee may, without the consent of the Noteholders or (subject as provided below) any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach or Event of Default, from time to time, and at any time but only if and in so far as in its opinion the interests of the Noteholders then outstanding shall not be materially prejudiced thereby, (subject to the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement) waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer, any Guarantor or any other relevant party of any of the covenants or provisions contained in these Conditions or the Note Trust Deed or the other Transaction Documents or other document to which the Note Trustee or the Security Trustee is a party or in respect of which the Security Trustee holds security, or determine that any event which would otherwise constitute an Event of Default shall not be treated as such for the purposes of the Note Trust Deed, provided that, to the extent such event, matter or thing relates to a matter or thing that has the effect of changing or which relates to (i) the requirements to redistribute any recoveries made other than in accordance with the priority of payments; (ii) the priority of payments and/or the subordination arrangements; or (iii) the right to give instructions to the Security Trustee, shall not be made without being approved by an Extraordinary Resolution of the Noteholders, the Facility Providers and the Security Trustee and provided further that the Note Trustee shall not exercise such powers in contravention of the Intercreditor Agreement or any Additional Intercreditor Agreement, of any express direction given by Extraordinary Resolution of the holders of the Notes then outstanding or of a request in writing made by holders of not less than one-quarter in aggregate of the principal amount of the Notes then outstanding (but no such direction or request shall affect any waiver, authorisation or determination previously given or made) or so as to authorise or waive any proposed breach or breach relating to any matter which is the subject of a Basic Terms Modification.

13.2.3 Any such modification, waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Note Trustee may determine, shall be binding on the Noteholders and the other Secured Creditors and, unless the Note Trustee agrees otherwise, notice thereof shall be given by the Issuer to the Noteholders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

13.2.4 Notwithstanding that none of the Note Trustee, the Security Trustee, the Noteholders or the other Secured Creditors has any right of recourse against the Rating Agencies in respect of any confirmation from the Rating Agencies which is relied upon by the Note Trustee or the Security Trustee, as the case may be, and the Note Trustee and the Security Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Notes, the Note Trust Deed, any other Transaction Documents or any other document to which the Note Trustee or the Security Trustee is a party or in respect of which the Security Trustee holds security, that such exercise will not be materially prejudicial to the interests of the Noteholders if the Rating Agencies have provided

confirmation that such exercise will not have an adverse effect on the then ratings of the Notes. Without prejudice to the foregoing, the Noteholders are deemed to agree for the benefit of the Rating Agencies only that a credit rating is, however, an assessment of credit and does not address other matters that may be of relevance to Noteholders. The Note Trustee, the Security Trustee and the Noteholders agree and acknowledge that being entitled to rely on the fact that the Rating Agencies have delivered confirmation that the ratings of their Notes will not be adversely affected does not impose or extend any actual or contingent liability for the Rating Agencies to the Note Trustee, the Security Trustee, the Noteholders, any other Secured Creditor or any other person or create any legal relations between the Rating Agencies and the Note Trustee, the Security Trustee, the Noteholders, any other Secured Creditor or any other person whether by way of contract or otherwise.

### 13.3 Substitution of the Issuer

13.3.1 The Note Trustee may without the consent of the Noteholders at any time agree with the Issuer to the substitution in place of the Issuer (or of the previous substitute under this Condition) as the principal debtor under the Notes and the Note Trust Deed of any holding company of the Issuer, any Subsidiary of such holding company or any Subsidiary of the Issuer (such substituted company being hereinafter called the "**New Company**") provided that a trust deed is executed or some other form of undertaking is given by the New Company in form and manner, satisfactory to the Note Trustee, agreeing to be bound by the provisions of the Note Trust Deed and these Conditions with any consequential amendments which the Note Trustee may deem appropriate as fully as if the New Company had been named as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 13.3) and provided further that except where all of the assets and undertakings of the Issuer are transferred to the New Company the Issuer unconditionally and irrevocably guarantees all amounts payable under the Notes to the satisfaction of the Note Trustee and such guarantee is secured over all of the assets and undertaking of the Issuer to the satisfaction of the Note Trustee.

13.3.2 The following further conditions shall apply to substitution of the Issuer as set out above:

(1) the New Company is a single purpose company similar to, and with like constitution as, and having substantially the same restrictions and prohibitions on its activities and operations as the Issuer, and undertakes to be bound by provisions corresponding to those set out in these Conditions;

(2) the Note Trustee is satisfied that in accordance with all applicable requirements of law and regulatory directions:

(A) the New Company has obtained all governmental and regulatory approvals and consents necessary for its assumption of liability as principal debtor in respect of the Notes and the other Secured Obligations of the Issuer; and

(B) such approvals and consents are at the time of substitution in full force and effect;

(3) the Issuer, the Guarantor and the New Company shall comply with such other requirements as the Note Trustee may direct in the interests of the Noteholders;

(4) (where applicable) Condition 6.3 (*Redemption for Taxation or Other Reasons*) shall be modified accordingly;

(5) undertakings or covenants shall be given by the New Company in terms corresponding to the provisions of these Conditions;

(6) without prejudice to the rights of reliance of the Note Trustee under paragraph (7) below, the Note Trustee is satisfied that the relevant transaction is not materially prejudicial to the interests of the Noteholders; and

(7) if two directors of the New Company (or other officers acceptable to the Note Trustee) shall certify that the New Company is solvent both at the time at which the relevant transaction is proposed to be effected and immediately thereafter (which certificate the Note Trustee may rely upon absolutely), the Note Trustee shall not be under any duty to have regard to the financial condition, profits or prospects of the New Company or to compare the same with those of the Issuer or the previous substitute under this Condition 13.3, as applicable.

## 14 NOTE TRUSTEE PROTECTIONS

### 14.1 Trustee Considerations

14.1.1 The Note Trust Deed contains provisions for the indemnification of the Note Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

14.1.2 In connection with the exercise by the Note Trustee under these Conditions, the Note Trust Deed or the other Transaction Documents of its rights, powers, trusts, authorities and discretions (including any modification, consent, waiver or authorisation), the Note Trustee shall where it is required to have regard to the interests of the holders of the Notes, have regard to the general interests of the holders of the Notes as a class and will not have regard to the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Note Trustee shall not be entitled to require from the Issuer, nor shall any Noteholders be entitled to claim from the Issuer or the Note Trustee, any indemnification or other payment in respect of any consequence (including any tax consequence) for individual Noteholders of any such exercise.

### 14.2 Reliance on certificates

The Note Trustee shall be entitled to rely absolutely on a certificate or report of any director of the Issuer in relation to any matter and to accept without liability any such certificate or report as sufficient evidence of the relevant fact or matter stated in such certificate.

## 15 NOTICES

15.1 Notices to holders of Notes will be posted to them at their respective addresses in the Register and deemed to have been given on the date of posting. Other notices to Noteholders will be valid if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or if published on the London Stock Exchange official website. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of the London Stock Exchange and any other listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed. Any such notice (other than to holders of Notes as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made.

15.2 For so long as any Notes are represented by Global Certificates held on behalf of Euroclear or Clearstream, Luxembourg, notices may be given by delivery of the relevant notices to Euroclear or Clearstream, Luxembourg for communication to entitled account holders in substitution for

publication in a daily newspaper having a general circulation in London. Such notices shall be deemed to have been received by the Noteholders on the day of delivery to such Clearing Systems.

## 16 FURTHER NOTES

### 16.1 Further Notes

The Issuer may, subject to applicable law and the Note Trust Deed, including in compliance with Condition 4.1 (*Indebtedness*) and Condition 4.3 (*Liens*), without the consent of the Noteholders, raise further funds, from time to time, on any date by the creation and issue of further notes ("**Further Notes**") carrying the same terms and conditions in all respects (or in all respects except for the first Interest Period) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with, any class of the Notes provided that:

16.1.1 the aggregate principal amount of all Further Notes to be issued on such date is not less than £5,000,000;

16.1.2 any Further Notes are assigned the same ratings as are then applicable to the class of Notes with which they are to be consolidated and form a single series;

16.1.3 the ratings of each class of Notes at that time outstanding are not downgraded, withdrawn or qualified as a result of such issue of Further Notes and none of such ratings is lower than it was upon the date of issue of any of the Notes;

16.1.4 an amount equal to the aggregate principal amount of such Further Notes will be on-lent by the Issuer pursuant to the provisions of the Intercompany Loan Agreement; and

16.1.5 application will be made, in respect of the Further Notes, for such notes to be admitted to trading on the Market or, if the Notes then issued are no longer admitted to trading on that exchange, such exchange, if any, on which the Notes then issued are then admitted to trading on.

### 16.2 Supplemental trust deeds and security

Any such Further Notes will be constituted by a further deed or deeds supplemental to the Note Trust Deed and have the benefit of the security constituted by the Security Agreement. Any of the Transaction Documents may be amended as provided in Condition 13 (*Meetings of Noteholders, Modification, Waiver and Substitution*) or otherwise, and further Transaction Documents may be entered into, in connection with the issue of such Further Notes and the claims of any of the parties to any amended Transaction Document or any further Transaction Document may rank ahead of, *pari passu* with, or behind, any class or classes of the Notes, provided, in each case, that the condition set out in Condition 16.1.3 is satisfied, *mutatis mutandis*.

## 17 MISCELLANEOUS

### 17.1 Governing law

The Notes, the Note Trust Deed, the Security Agreement and the other Transaction Documents and any non-contractual obligations arising out of or in connection with them shall be governed by, and shall be construed in accordance with, English law.

### 17.2 Jurisdiction

The Issuer irrevocably agrees, for the benefit of the Note Trustee and the Noteholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Note Trust Deed and/or the Notes (including a dispute relating to any

non-contractual obligations arising out of or in connection with the Note Trust Deed and/or the Notes) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

### 17.3 Third Party Rights

No person shall have any right to enforce any term or condition of the Notes or the Note Trust Deed under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

### 17.4 Rights Against Issuer

Under the Note Trust Deed, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to interests in the Notes will (subject to the terms of the Note Trust Deed) acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Certificate became void, they had been the registered holders of Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear or Clearstream, Luxembourg (as the case may be).

### 17.5 Clearing System Accountholders

References in these Conditions of the Notes to Noteholder are references to the person shown in the register as the holder of the Global Certificate.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg, as the case may be, as being entitled to an interest in a Global Certificate (each an Accountholder) must look solely to Euroclear and/or Clearstream, Luxembourg (as the case may be) for such Accountholder's share of each payment made by the Issuer to such Accountholder and in relation to all other rights arising under the Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Certificate will be determined by the respective rules and procedures of any relevant Clearing System (as the case may be) from time to time. For so long as the relevant Notes are represented by a Global Certificate, Accountholders shall have no claim directly against the Issuer or in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the registered holder of the Global Certificate.

## 18 DEFINITIONS AND INTERPRETATION

18.1 **Interpretation**

For the purposes of these Conditions, so long as any Existing Junior Debt and any related security and intercreditor arrangements are outstanding, no provisions in these Conditions shall be breached by an Obligor (including any failure to comply with a covenant or undertaking) and no Event of Default shall occur, if such provision would not otherwise have been breached or such Event of Default would not otherwise have occurred, but for the Existing Junior Debt and any related security and intercreditor arrangements being outstanding, provided that this Clause 18.1 shall only apply from the Issue Date to (and including) the date falling one Business Day after the Issue Date.

18.2 In these Conditions, the following expressions shall have the following meanings:

"**AGL**" means Arqiva Group Limited (formerly Arqiva Broadcast Holdings Limited);

"**Acceptable Bank**" means:

(1) a bank or financial institution which has a rating for its long term unsecured debt obligations of A- or higher by S&P or Fitch or A3 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency; or

(2) any other bank or financial institution selected by the Issuer and approved by the Note Trustee;

"**Accounting Principles**" means accounting principles, policies, standards, bases and practises which are generally accepted under UK GAAP or UK IFRS, in each case as in effect on the date hereof, or, with respect to Condition 4.5 (*Information Covenants*), as in effect from time to time;

"**Administrative Parties**" means the Note Trustee, the Security Trustee, any Facility Agent and their replacements or successors;

"**AF No 3**" means Arqiva Financing No 3 plc (formerly Macquarie UK Broadcast Service plc), a company incorporated in England and Wales with limited liability (registered number 05253998);

"**Affiliate**" means a Subsidiary or a Holding Company of a person or any other Subsidiary of that Holding Company.

"**Applicable Premium**" means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such Note; or

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of such Note at 1 July 2027 (such redemption price being set forth in Condition 6.2.1), *plus* (ii) all required interest payments due on such Note through 1 July 2027 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Gilt Rate as of such redemption date plus 50 basis points; over

(b) the principal amount of the Note;

"**Authorised Investments**" has the same meaning as for the purposes of the Common Terms Agreement;

"**Beneficial Owner**" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "**person**" (as that term is used in Section 13(d)(3) of the Exchange Act), such person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The term "**Beneficially Owns**" and "**Beneficially Owned**" have a corresponding meaning;

"**Board of Directors**" means:

(1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the board of directors of the general partner of the partnership;

(3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and

(4) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"**Cash**" means cash deposits with any bank or financial institution, other than any cash deposits standing to the credit of the Minimum Maintenance Capex Reserve Account;

"**Cash Equivalents**" means at any time:

(1) certificates of deposit, overnight bank deposits, time deposit accounts, banker's acceptances and money market deposits (and similar instruments) maturing within one year after the relevant date of calculation, issued by an Acceptable Bank;

(2) any investment in marketable securities issued or guaranteed by the Government of the United States of America, the United Kingdom or provided that it has a credit rating of A-1 or higher by S&P or F-1 or higher by Fitch, any member state of the European Economic Area or any Participating Member State, or by an instrumentality or agency of any of them having an equal credit rating which:

  (a) matures within one year after the relevant date of calculation; and

  (b) is not convertible to any other security;

(3) commercial paper not convertible to any other security:

  (a) for which a recognised trading market exists;

  (b) issued in the United States of America, the United Kingdom or any member state of the European Economic Area or any Participating Member State;

  (c) which matures within one year after the relevant date of calculation; and

  (d) which has a credit rating of or higher than either A-1 by S&P or F-1 by Fitch or P-1 by Moody's or, if no rating is available in respect of such commercial paper, the issuer of which has, in respect of its long-term unsecured debt obligation, an equivalent rating;

(4) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or any dematerialised equivalent);

(5) investments in money market or liquid funds which invest substantially all their assets in securities of the types described in paragraphs (1) to (4) above; or

(6) any other debt security or investment approved by the Security Trustee acting in accordance with instructions under and in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement,

in each case, which is not issued or guaranteed by any Group Company or subject to any Liens (other than any Liens securing Senior Debt or Junior Debt) or, for the purposes of Condition 4.6.1, has the same meaning as for the purposes of the Common Terms Agreement;

"**Change of Control**" means:

(1) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of

the Parent Guarantor and its Subsidiaries, taken as a whole, to any Person (including any "**person**" (as that term is used in Section 13(d)(3) of the United States Exchange Act of 1934, as amended)) other than a Subsidiary or one or more Permitted Holders;

(2) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that (i) any Person (including any "**person**" as defined above), other than one or more of the Permitted Holders, becomes the Beneficial Owner, directly or indirectly, of shares with the right to vote more than 50% of the issued share capital of the Parent Guarantor, measured by number of shares;

(3) the adoption of a plan relating to liquidation or dissolution of the Parent Guarantor or the Issuer; or

(4) the Parent Guarantor ceases to Beneficially Own, directly or indirectly, shares with the right to vote 100% of the issued share capital of the Issuer;

"**Collateral**" means the rights, property and assets securing the Notes and the Guarantees as described under Condition 3.3 and any rights, property or assets over which a Lien has been granted to secure the obligations of the Issuer and the Guarantors under the Notes, the Guarantees and the Note Trust Deed;

"**Common Terms Agreement**" means the common terms agreement dated 22 February 2013 entered into by (among others) Arqiva Financing No 1 Limited as a Senior Obligor and applying in respect of the facilities entered into by it, as supplemented by an Additional Covenants Deed dated 4 June 2020;

"**Consolidated Net Income**" means the consolidated earnings of the Group calculated in accordance with the Accounting Principles during the applicable Test Period before (and without double counting):

(1) the deduction or addition (as applicable) of any non-cash charges resulting from fair value adjustments and mark-to-market adjustments;

(2) the deduction of any non-cash charges relating to long-term compensation schemes;

(3) taking into account any non-cash charges relating to recognition of pension plan deficits; and

(4) taking into account fair value gains or losses on any financial instrument other than any derivative instrument which is accounted for on a hedge accounting basis,

and after adjusting to (a) exclude exceptional items which shall include (but not be limited to) transaction costs, integration costs, separation costs, restructuring costs, reorganisation costs and other one-off expenditure and (b) deduct any amounts paid by a member of the Senior Financing Group to a Subsidiary of AGL which is not a member of the Junior Group pursuant to paragraph (e) of the definition of Restricted Payments (as defined in the Common Terms Agreement);

less the consolidated earnings (before the deductions and adjustments referred to above) of the Senior Financing Group Companies that are incorporated outside of the United Kingdom and in aggregate exceed 5% of the consolidated earnings (before the deductions and adjustments referred to above) of the Senior Financing Group.

"**Credit Facilities**" means, one or more debt facilities, instruments or arrangements Incurred by the Issuer or a Guarantor (including the Liquidity Facility Agreement or commercial paper facilities and overdraft facilities) or commercial paper facilities or indentures or trust deeds or note purchase agreements, in each case, with banks, other institutions, funds or investors, providing for revolving credit loans, term loans, performance guarantees, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit, bonds, notes debentures or other corporate debt instruments or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or

trustees or other banks or institutions and whether provided under the Liquidity Facility Agreement or one or more other credit or other agreements, indentures, trust deeds, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term Credit Facilities shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding other Group Companies as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof;

"**Currency Exchange Protection Agreement**" means, in respect of any Person, any Treasury Transaction agreement or arrangement designed to protect such Person against fluctuations in currency exchange rates as to which such Person is a party;

"**Current Shareholders**" means the persons who as at the date of this Offering Memorandum are the legal owners of the entire issued share capital of Arqiva Group Limited (being D9 Wireless OpCo 2 Limited (48.022%), MEIF II Luxembourg Communications S.à r.l. (25.01%), Conyers Trust Company (Cayman) Limited in its capacity as trustee of the IFM Global Infrastructure Fund (14.843%), Trust Company Limited (in its capacity as custodian for Health Super Investments Pty Ltd in its capacity as trustee of First State Super Infrastructure Trust) (5.428%) and MTAA Superannuation Fund Pty Limited in its capacity as trustee MTAA Superannuation Fund (NTL Broadcast) Utilities Trust) (5.167%), Macquarie PRISM Proprietary Limited (0.814%) and MGIF2 Communications S.à.r.l. (0.716%). All percentages included in this paragraph are references to the percentage of the equity share capital held in Arqiva Group Limited as at the date of this Offering Memorandum.

"**Debtor**" means each Guarantor and the Issuer;

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default;

"**Distribution Compliance Period**" means the period that ends 40 days after the later of the commencement of the offering the Notes and the Guarantees and the Issue Date;

"**EBITDA**" means, for any Test Period, the Consolidated Net Income before:

(1) the deduction of taxation;

(2) the deduction of any interest, commission, fees, discounts, prepayment fees, premiums or charges and other payments in the nature of a finance charge whether paid, payable or capitalised by any Group Company (calculated on a consolidated basis);

(3) the addition of interest receivable; and

(4) the deduction of any amount attributable to amortisation of goodwill or other intangible assets and any deduction for depreciation or impairment.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock);

"**Escrowed Property**" means the proceeds from the offering of any debt securities or other Indebtedness paid into segregated escrow accounts with an independent escrow agent on the date of the applicable offering or Incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term "**Escrowed Property**" shall include any interest earned on the amounts held in escrow;

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended;

"**Existing Junior Debt**" means the indebtedness of the Intercompany Borrower under the £520,000,000 facilities agreement originally dated 19 August 2022 and as amended and restated on 15 December 2022 and related interest rate hedging that is outstanding as at the date of the Note Trust Deed.

"**Existing Senior Debt**" means (a) the Senior Working Capital Facilities, the Senior Liquidity Facility, the Senior USPP NPAs, the Senior USPP Notes (each, as defined in the Offering Memorandum) and any other facilities authorised under the Common Terms Agreement, (b) the £250,000,000 7.210% senior notes due 2045 issued by the Senior Issuer, (c) the £400,000,000, 4.882% secured notes due 2032 issued by the Senior Issuer, and (d) the £164,000,000, 5.340% secured notes due 2037 issued by the Senior Issuer, in each case as amended, restated, modified, renewed or refinanced in whole or in part from time to time;

"**Existing Hedges**" has the same meaning as for the purposes of the Common Terms Agreement, except that for purposes hereof, the term "**Existing Bank Facilities**" referred to in the Common Terms Agreement shall mean the Existing Senior Debt and "Signing Date" shall mean either the Senior Signing Date or the Issue Date, as applicable;

"**Facility Agent**" means any entity which has become a party to the Intercreditor Agreement or any Additional Intercreditor Agreement as a facility agent (or any equivalent term) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

"**Facility Agreement**" means any facility agreement entered into by the Issuer, a Facility Provider and a Facility Agent;

"**Facility Provider**" means any entity which has become a party to the Intercreditor Agreement or any Additional Intercreditor Agreement as a facility provider or lender (or any equivalent term) in accordance with the provisions of the Intercreditor Agreement or any Additional Intercreditor Agreement;

"**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress of either party, determined in good faith by any of the Parent Guarantor's chief executive officer, chief financial officer or other responsible financial or accounting Officer;

"**FATCA**" means Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof and including any agreement described in Section 1471(b)) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement);

"**Finance Lease**" has the same meaning as for the purposes of the Common Terms Agreement;

"**Financial Statistics**" means financial statistics published monthly by the Office for National Statistics and containing information on, among other things, public sector finance and money supply and credit in the United Kingdom;

"**Financial Year**" means the annual accounting period of the Junior Group ending on or about 30 June in each year;

"**Fitch**" means Fitch Ratings Ltd.;

"**Fixed Charge Coverage Ratio**" means, as of any date of determination, the ratio of (a) the EBITDA of the Junior Group for the Test Period ending on (and including) the Test Date immediately preceding such date of determination to (b) the Fixed Charges of the Junior Group for such Test Period.

In the event that the Junior Group Incurs, assumes, guarantees, issues, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than Incurrences or repayments of ordinary

working capital borrowings) subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (for the purpose of this definition, the "**Calculation Date**") (but not giving effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to Condition 4.1.2 or (ii) the repayment, repurchase, redemption, defeasance or other discharge of any Indebtedness on the Calculation Date, to the extent that such repayment, repurchase, redemption, defeasance or other discharge is made with the proceeds of Indebtedness Incurred pursuant to Condition 4.1.2), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect (as determined in good faith by the Parent Guarantor's chief financial officer or a responsible financial or accounting Officer of the Parent Guarantor) to such Incurrence, assumption, guarantee, issuance, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable Test Period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions or Investments that have been made by the Junior Group, including through mergers or consolidations, or by any Person or any of its Subsidiaries acquired by the Junior Group, and including all related financing transactions and including increases in ownership of Subsidiaries, during the relevant Test Period or subsequent to such Test Period and on or prior to the relevant Calculation Date, or that are to be made on the relevant Calculation Date, will be given pro forma effect (as determined in good faith by a responsible financial or accounting Officer of the Parent Guarantor and may include cost savings, expense reductions and cost synergies reasonably expected to be realised within 18 months after the applicable Test Date and in the aggregate amount not exceeding 10% of the EBITDA of the Junior Group for the relevant Test Period (calculated after fully taking into account such cost savings, expense reductions and cost synergies)) as if they had occurred on the first day of the relevant Test Period;

(2) the EBITDA attributable to discontinued operations, as determined in accordance with the Accounting Principles, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with the Accounting Principles, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Junior Group following the Calculation Date;

(4) any Person that is a Subsidiary on the Calculation Date will be deemed to have been a Subsidiary at all times during the relevant Test Period;

(5) any Person that is not a Subsidiary on the Calculation Date will be deemed not to have been a Subsidiary at any time during the relevant Test Period; and

(6) if any Indebtedness bears a floating rate of interest and such Indebtedness is to be given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Treasury Transactions applicable to such Indebtedness if such Treasury Transactions has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

"**Fixed Charges**" means, for any Test Period, the interest, fees (including commitment fees (but excluding, for the avoidance of doubt, any Senior Issuer/Borrower Facilities Fees)), charges, commissions or equivalent finance charges that are paid, or payable (excluding, for the avoidance of doubt, non-cash charges and imputed interest) or accrued as an obligation of any Group Company in respect of the Indebtedness of the Group Companies during the applicable Test Period and all Finance Lease payments

in respect of interest payable and equivalent financial charges during the applicable Test Period, but (without double counting):

(1) excluding any upfront or amortised fees or costs;

(2) excluding the fees and expenses of the Senior Administrative Parties and the Administrative Parties;

(3) excluding any break costs;

(4) excluding the mark-to-market under any Treasury Transactions;

(5) excluding any interest or equivalent finance charge accrued in respect of Indebtedness between Group Companies;

(6) excluding any interest or equivalent finance charge on deferred income or on unwinding a discounted liability;

(7) deducting any interest or equivalent finance charge receivable by any Group Company (after deducting applicable withholding tax) in respect of Cash or Cash Equivalents held by such Group Company;

(8) before taking into account fair value gains or losses on any financial instrument other than any derivative instrument which is accounted for on a hedge accounting basis and only to the extent gains and losses in the hedged item are also included in EBITDA;

(9) excluding any interest or equivalent finance charge which is capitalised, rolled up or deferred during such Test Period; and

(10) excluding any fees, costs and expenses incurred in respect of the implementation of the refinancing of the Existing Senior Debt and the Existing Hedges,

and taking into account any net payment or net receipt which is payable or receivable under any Senior Hedging Agreements (including, for the avoidance of doubt, any net payment and net receipt under any Inflation Linked Hedging Agreement (but excluding, for the avoidance of doubt, any accretions paid, payable or accruing under any Inflation Linked Hedging Agreements and any mark-to-market termination payments under any Senior Hedging Agreements or any Treasury Transactions));

"**Gilt Rate**" means, with respect to any redemption date that any Note is redeemed, the yield to maturity as of such redemption date of UK Government Securities with a fixed maturity (as complied by the Office for National Statistics and published in the most recent Financial Statistics that have become publicly available at least two Business Days in London prior to such redemption date (or, if such Financial Statistics are no longer published, any publicly available source of similar market date)) most nearly equal to the period from such redemption date to 30 September 2020; *provided*, *however*, that if the period from such redemption date to 30 September 2020 is less than one year, the weekly average yield on actually traded UK Government Securities denominated in sterling adjusted to a fixed maturity of one year shall be used.

"**Global Certificates**" means the Regulation S Global Certificate;

"**Group Company**" means each company that is a member of the Junior Group;

"**Historic Net Debt to EBITDA Ratio**" means, as of any date of determination, the ratio of (a) Net Debt of the Junior Group as of the Test Date immediately preceding such date of determination to (b) EBITDA of the Junior Group for the Test Period ending on (and including) the Test Date immediately preceding such date of determination (calculated on a pro forma basis to take into account the earnings from any asset acquired during the Test Period from the start of such Test Period (and may include cost savings, expense reductions and cost synergies reasonably expected to be realised within 18 months after the applicable Test Date and in the aggregate amount not exceeding 10% of the EBITDA of the Junior Group for the relevant Test Period (calculated after fully taking into account such cost savings, expense reductions and

cost synergies) as if they had occurred on the first day of the applicable Test Period as determined in good faith by a responsible financial or accounting Officer of the Parent Guarantor) and to exclude the earnings from any asset disposed of during the Test Period for the entire Test Period);

"**Historic Senior Secured Net Debt to EBITDA Ratio**" means, as of any date of determination, the ratio of (a) Net Senior Secured Debt of the Junior Group as of the Test Date immediately preceding such date of determination to (b) EBITDA of the Junior Group for the Test Period ending on (and including) the Test Date immediately preceding such date of determination (calculated on a pro forma basis to take into account the earnings from any asset acquired during the Test Period from the start of such Test Period (and may include cost savings, expense reductions and cost synergies reasonably expected to be realised within 18 months after the applicable Test Date and in the aggregate amount not exceeding 10%of the EBITDA of the Junior Group for the relevant Test Period (calculated after fully taking into account such cost savings, expense reductions and cost synergies) as if they had occurred on the first day of the applicable Test Period as determined in good faith by a responsible financial or accounting Officer of the Parent Guarantor) and to exclude the earnings from any asset disposed of during the Test Period for the entire Test Period);

"**Holding Company**" means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary, except that for the definition of Permitted Tax Transaction only, Holding Company shall mean AF No 3 and AGL only;

"**Incur**" means issue, create, assume, enter into any guarantee of, incur or otherwise become liable for, and the terms "**Incurred**" and "**Incurrence**" have meanings correlative to the foregoing; *provided, however*, that any Indebtedness pursuant to any revolving credit or similar facility shall only be "**Incurred**" at the time any funds are borrowed thereunder;

"**Indebtedness**" means (without double counting) any indebtedness of any Group Company for or in respect of:

(1) moneys borrowed or raised (whether or not for cash);

(2) any amounts drawn under acceptance credit or bill discounting facility;

(3) any bond, note, debenture, loan stock or other similar instrument;

(4) any Finance Lease;

(5) any share in any Group Company which is not held by another Group Company and which is capable of redemption prior to the Maturity Date of any Notes ("**Disqualified Stock**");

(6) the acquisition cost of any asset or service to the extent payable after its acquisition or possession by the party liable where one of the primary reasons for which the deferred payment is arranged is as a method of raising finance or financing the acquisition or construction of that asset or the supply of that service (but excluding trade credit on customary commercial terms) or is due more than six months after the date of acquisition or supply;

(7) receivables sold or discounted (other than on a non-recourse basis);

(8) net liability under any Treasury Transaction including, for the avoidance of doubt, any portion in respect of accretion (but excluding any mark-to-market);

(9) any other transaction which has the commercial effect of a borrowing or otherwise is treated as such under the Accounting Principles;

(10) any counter indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of any person which is of the nature referred to above; and

(11) any guarantee in respect of an underlying liability of any person which is of the nature referred to in the above paragraphs (but excluding any guarantee permitted under these Conditions (other than Condition 4.1.1) or any Permitted Guarantee (as defined in the Common Terms Agreement)),

provided that "Indebtedness" shall not include:

(a) any amount owed by one Group Company to another Group Company;

(b) any lease, concession or license of property (or guarantee thereof) which would be considered an operating lease under the Accounting Principles as in effect on the Closing Date (as defined in the Common Terms Agreement);

(c) Subordinated Debt; and

(d) any pension deficit;

"**Inflation Linked Hedging Agreement**" has the same meaning as for the purposes of the Common Terms Agreement;

"**Initial Public Offering**" means the first Public Equity Offering of common stock or common equity interests of the Parent Guarantor or any Holding Company of the Parent Guarantor (the "**IPO Entity**") following which there is a Public Market;

"**Intercompany Borrower**" means Arqiva Financing No 2 Limited as borrower under the Intercompany Loan Agreement.

"**Intercompany Lender**" means Arqiva Broadcast Finance plc as lender under the Intercompany Loan Agreement.

"**Intercompany Loan Agreement**" means loan agreement dated on or about the date of this Agreement between, amongst others, the Intercompany Lender and the Intercompany Borrower.

"**Intercompany Loans**" means the loans made under the Intercompany Loan Agreement by the Intercompany Lender to the Intercompany Borrower.

"**Intercreditor Agreement**" means the intercreditor agreement to be entered into on or before the Issue Date between, amongst others, the Obligors, the Note Trustee and the Security Trustee initially and from time to time any Facility Providers and any Facility Agents;

"**Interest Rate Treasury Transactions**" means any interest rate hedging transactions related to any Indebtedness Incurred by the Issuer or any Guarantor pursuant to Condition 4.1 (*Indebtedness*).

"**Intra Group Lenders**" means each Group Company which has made a loan available to, granted credit to or made any other financial arrangement having similar effect with, a Debtor and which is or becomes a party as an Intra Group Lender in accordance with the terms of Clause 18 (Changes to the Parties) of the Intercreditor Agreement or any Additional Intercreditor Agreement;

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as Investments on a balance sheet (excluding the notes) prepared in accordance with the Accounting Principles. Except as otherwise provided in these Conditions, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment;

"**Investors**" means (a) the Original Investor and (b) each party that enters into a creditor/creditor representative accession undertaking as an Investor in accordance with the Intercreditor Agreement or any Additional Intercreditor Agreement;

"**Investor Documents**" means any agreement providing for a loan by an Investor to the Parent Guarantor and any other document or agreement providing for the payment of any amount by the Parent Guarantor to an Investor;

"**Joint Bookrunners**" means the Joint Global Coordinators.

"**Joint Global Coordinators** " means HSBC Bank plc, Lloyds Bank Corporate Markets plc and Banco Santander, S.A., each a Joint Global Coordinator.

"**Junior Debt**" means any Indebtedness of the Obligors that is not Subordinated Debt;

"**Junior Group**" means the Parent Guarantor and its Subsidiaries;

"**Lien**" means any mortgage, pledge, lien, charge (fixed or floating), assignment, assignation, hypothecation, set-off or trust arrangement for the purpose of creating security, reservation or title or security interest, any arrangement giving rise to a Quasi Security or any other agreement or arrangement having a substantially similar effect;

"**Liquidity Facility**" means the revolving credit facility governed by the Liquidity Facility Agreement;

"**Liquidity Facility Agreement**" means the liquidity facility agreement, dated on or about the Issue Date, by and among, amongst others, Arqiva Broadcast Finance plc as borrower, the arrangers named therein and HSBC Bank plc as liquidity facility agent, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and, in each case, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time;

"**Material Adverse Effect**" means a material adverse effect on:

(1) the business, assets or financial condition of the Junior Group taken as a whole;

(2) (taking into account the resources available to an Obligor from other Obligors and/or members of the Junior Group and any guarantees given by other Obligors and/or members of the Junior Group) the ability of such Obligor to perform any of its payment obligations under any of the Note Trust Deed and the other Transaction Documents; or

(3) the legality, validity or enforceability of any of the Note Trust Deed or the other Transaction Documents, in each case in a manner which is prejudicial to the interests of the Noteholders or the Secured Creditors;

"**Minimum Maintenance Capex Reserve Account**" has the same meaning as for the purposes of the Common Terms Agreement;

"**Moody's**" means Moody's Investors Service Limited;

"**Net Debt**" means, as of any Test Date, the aggregate outstanding principal amount of Indebtedness of the Group Companies, (excluding amounts under any Senior Hedging Agreements except to the extent as provided in paragraphs (1) to (3) below) as at such Test Date (and without double counting):

(1) plus (for the avoidance of doubt) any accretion by indexation to the notional amount under any Senior Hedging Agreements and the accretion portion of any other Indebtedness of the Group Companies;

(2) plus in respect of any Senior Hedging Agreement, the amount (if any) that is payable by the Senior Borrower to the relevant Senior Hedge Counterparty if an Early Termination Date (as defined in the Senior Hedging Agreement) has been designated on or prior to such date of determination in respect of the transaction or transactions arising under the Senior Hedging Agreement and is outstanding on such Test Date;

(3) in respect of two Senior Hedging Transactions, that are subject to and part of the same Senior Hedging Agreement, one of which is a Senior Offsetting Hedge in respect of the other or a portion thereof, the net amount which would be payable (if any) by the Senior Borrower to the Senior Hedge Counterparty if an Early Termination Date (as defined in the Senior Hedging Agreement) were to occur on such date with respect to both such Senior Hedging Transactions and with the Senior Borrower as sole Affected Party (as defined in the Senior Hedging Agreement);

(4) less the aggregate amount of any such Indebtedness purchased and held by any Group Company; and

(5) less Cash and Cash Equivalents held by any Group Company,

"**Net Proceeds**" means the aggregate cash proceeds received by the Issuer, a Guarantor or a Senior Financing Group Company in respect of any Disposition (including, without limitation, any cash received upon the sale or other disposition of any consideration received in non-cash form or Cash Equivalents substantially concurrently received in any Disposition), net of the direct costs relating to such Disposition and the sale of such consideration received in non-cash form, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Disposition, taxes paid or payable as a result of the Disposition and any reserve for adjustment or indemnification obligations in respect of the sale price of such asset or assets established in accordance with the Accounting Principles.

"**Net Senior Secured Debt**" means, as of any Test Date, the aggregate outstanding principal amount of Indebtedness of the Group Companies, (excluding amounts under any Senior Hedging Agreements except to the extent as provided in paragraphs (1) to (3) below) that constitutes Senior Debt or is secured by a Permitted Collateral Lien (other than any Indebtedness secured by such a Lien on a junior priority basis) as at such Test Date (and without double counting):

(1) plus (for the avoidance of doubt) any accretion by indexation to the notional amount under any Senior Hedging Agreements and the accretion portion of any other Indebtedness of the Group Companies;

(2) plus in respect of any Senior Hedging Agreement, the amount (if any) that is payable by the Senior Borrower to the relevant Senior Hedge Counterparty if an Early Termination Date (as defined in the Senior Hedging Agreement) has been designated on or prior to such date of determination in respect of the transaction or transactions arising under the Senior Hedging Agreement and is outstanding on such Test Date;

(3) in respect of two Senior Hedging Transactions, that are subject to and part of the same Senior Hedging Agreement, one of which is a Senior Offsetting Hedge in respect of the other or a portion thereof, the net amount which would be payable (if any) by the Senior Borrower to the Senior Hedge Counterparty if an Early Termination Date (as defined in the Senior Hedging Agreement) were to occur on such date with respect to both such Senior Hedging Transactions and with the Senior Borrower as sole Affected Party (as defined in the Senior Hedging Agreement);

(4) less the aggregate amount of any such Indebtedness purchased and held by any Group Company; and

(5) less Cash and Cash Equivalents held by any Group Company;

in the case of paragraphs (1), (2) and (3) above, to the extent the amounts under such Senior Hedging Agreements constitute Senior Debt or are secured by a Permitted Collateral Lien on a pari passu or senior basis;

"**Obligations**" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness;

"**Obligors**" means the Issuer and the Guarantors;

"**Offering Memorandum**" means the offering memorandum issued in relation to the Notes dated 25 June 2025.

"**Officer**" means, with respect to any Person, the chief executive officer, chief financial officer, president, any executive vice president, senior vice president, vice president, the treasurer, the secretary, director or a member of the Board of Directors of such Person or any other person that the Board of Directors of such Person shall designate for such purpose;

"**Original Investor**" means AF No 3;

"**Outstanding Principal Amount**" means in respect of a Note the principal amount thereof as at the Issue Date as reduced by any payment of principal to the holder of such Note up to (and including) that time;

"**Participating Member State**" means a member state of the European Union that adopts or has adopted the euro as its lawful currency under the legislation of the European Union for European Monetary Union.

"**Payment Amount**" means such amount as results from multiplying the amount of Tax losses surrendered by the full percentage rate of UK corporation tax in force for the accounting period in respect of which the surrender is made, provided that where there is more than one rate of corporation tax in force for an accounting period, the Payment Amount shall be calculated by reference to a weighted average of the corporation tax rates in force in such period calculated on a time basis;

"**Permitted Acquisitions**" has the same meanings as for the purposes of the Common Terms Agreement except that for the purposes of the proviso in paragraph (iv) "5%" shall be replaced with "7.5%";

"**Permitted Business**" has the same meaning as for the purposes of the Common Terms Agreement;

"**Permitted Collateral Liens**" means:

(1) Liens on the Collateral to secure the Notes (or the Guarantees) (but not any Further Notes (or any guarantee of Further Notes)) issued on the Issue Date and any Permitted Refinancing Indebtedness in respect thereof (and Permitted Refinancing Indebtedness in respect of Permitted Refinancing Indebtedness); *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Collateral) securing such Permitted Refinancing Indebtedness secures the Notes or the Guarantees on a senior or *pari passu* basis;

(2) Liens on the Collateral to secure (a) Indebtedness that is permitted by Condition 4.1.2(1); (b) Indebtedness permitted by Condition 4.1.1, provided that after giving *pro forma* effect thereto and the application of net proceeds therefrom, the Historic Senior Secured Net Debt to EBITDA Ratio would have been no more than 4.6 to 1; (c) Indebtedness permitted by Condition 4.1.2(7) (to the extent such guarantee is in respect of Indebtedness otherwise permitted to be secured by Permitted Collateral Liens pursuant to this definition of Permitted Collateral Liens); (d) Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace or discharge, any Indebtedness which is secured by a Permitted Collateral Lien pursuant to the preceding clause (b) or this clause (d) and (e) Indebtedness permitted by Condition 4.1.2(8); *provided* that, in each case, all property and assets (including, without limitation, the Collateral) securing such Indebtedness also secures the Notes and the Guarantees on a senior or

*pari passu* basis (although Indebtedness described under Condition 4.1.2(1) may have super senior priority status in respect of the proceeds from (i) the enforcement of the Collateral or (ii) certain distressed disposals not materially less favorable to the Noteholders than pursuant to the Intercreditor Agreement as in effect on the Issue Date); and *provided further* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement;

(3) Liens on the Collateral to secure obligations under Treasury Transactions permitted by Condition 4.1.2(6); *provided* that, all property and assets securing such obligations under Treasury Transactions also secure the Notes and any Guarantees on a senior or *pari passu* basis (although Indebtedness that is incurred under Condition 4.1.2(6) and entered into with respect to the Notes or other Indebtedness that ranks senior or *pari passu* with the Notes may have super senior priority status in respect of the proceeds from (i) the enforcement of the Collateral or (ii) certain distressed disposals not materially less favorable to the Noteholders than that accorded to the hedging counterparties pursuant to the Intercreditor Agreement as in effect on the Issue Date); and *provided further* that each of the parties thereto will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement; and

(4) Liens on the Collateral that are described in one or more of clauses (3), (4), (8), (9), (10) (13) and (15) of the definition of "**Permitted Liens**";

"**Permitted Disposals**" has the same meanings as for the purposes of the Common Terms Agreement except that for the purposes of the proviso in paragraph (iii) "5%" shall be replaced with "7.5%";

"**Permitted Holders**" means the Shareholder Controllers/Affiliates. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Event Notice is given in accordance with Condition 6.4 will thereafter, together with its Affiliates and its Shareholder Affiliates, constitute an additional Permitted Holder.

"**Permitted Investments**" means:

(1) any Investment in a Group Company;

(2) any Investment in cash and Cash Equivalents;

(3) any Investment by the Issuer or a Guarantor in a Person, if as a result of such Investment:

  (a) such Person becomes a Subsidiary (subject to compliance with Condition 4.4.6); or

  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, a Group Company;

(4) any Investment made as a result of the receipt of non-cash consideration from a Disposition that was made pursuant to and in compliance with Condition 4.8.2;

(5) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were Incurred in the ordinary course of business of the Junior Group, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer; or (b) litigation, arbitration or other disputes;

(6) Investments represented by obligations under Treasury Transactions, which obligations are permitted by Condition 4.1.2(6);

(7) Investments in the Notes (including any Further Notes) and any other Indebtedness of the Issuer or a Guarantor;

(8) any guarantee of Indebtedness permitted to be Incurred by Condition 4.1 (*Indebtedness*) and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;

(9) Investments acquired after the Issue Date as a result of the acquisition by the Issuer or a Guarantor of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or a Guarantor in a transaction that is not prohibited by Condition 4.4.4 after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation; and

(10) any Investment to the extent made using as consideration Capital Stock of the Parent Guarantor (other than Disqualified Stock), Subordinated Debt or Capital Stock of any Holding Company of the Parent Guarantor;

"**Permitted Liens**" means:

(1) Liens in favor of a Group Company;

(2) Liens existing on the Issue Date;

(3) Liens for taxes, assessments or governmental charges or claims that (a) are not yet due and payable or (b) are being contested in good faith by appropriate proceedings and for which a reserve or other appropriate provision, if any, as will be required in conformity with the Accounting Principles will have been made;

(4) (a) Liens imposed by law or by agreement having the same effect, such as carriers', warehousemen's, landlord's, banks' and mechanics' Liens, in each case, Incurred in the ordinary course of business of the Junior Group and (b) any other Liens arising under statute or by operation of law and not as a result of a default by an Obligor;

(5) Liens created for the benefit of (or to secure) the Notes and Guarantees;

(6) Liens securing Indebtedness in respect of obligations under Treasury Transactions, which obligations are permitted by Condition 4.1.2(6);

(7) Liens to secure any Permitted Refinancing Indebtedness permitted to be Incurred under these Conditions; *provided, however*, that:

(a) the new Lien is limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and

(b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (i) the outstanding principal amount, or, if greater, committed amount, of the Indebtedness renewed, refunded, refinanced, replaced, defeased or discharged with such Permitted Refinancing Indebtedness and (ii) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;

(8) bankers' Liens, rights of set-off or similar rights and remedies as to deposit accounts (including any Lien created or subsisting over any asset held in any securities depository or any clearing house pursuant to the standard terms and procedures of the relevant securities depository or clearing house applicable in the normal course of trading), Liens arising out of judgments or awards not constituting an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(9) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;

(10) (a) Liens created in the ordinary course of banking arrangements (including any netting or set-off arrangements, banker's liens or other security interests arising by operation of law or pursuant to the relevant bank's standard terms and conditions) and (b) any Liens arising by reason of any payment or close out netting or set-off arrangement pursuant to any Treasury Transaction which is permitted by Condition 4.1.2(6);

(11) Liens on any proceeds loan made by the Issuer or a Guarantor in connection with any future Incurrence of Indebtedness permitted under the Note Trust Deed and securing that Indebtedness;

(12) Liens on property at the time the Issuer or a Guarantor acquired the property, including any acquisition by means of a merger or consolidation with or into the Issuer or a Guarantor; *provided* that such Liens are not created, Incurred or assumed in connection with, or in contemplation of, such acquisition and do not extend to any other property owned by the Issuer or a Guarantor;

(13) any Liens permitted under the terms of the Intercreditor Agreement and any Additional Intercreditor Agreement or as otherwise agreed by the Security Trustee (acting in accordance with instructions received under the Intercreditor Agreement and any Additional Intercreditor Agreement);

(14) Liens (a) on Escrowed Property for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in the case of this clause (b) to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose; and

(15) Liens Incurred in connection with a cash management program established in the ordinary course of business;

"**Permitted Refinancing Indebtedness**" means any Indebtedness of the Issuer or a Guarantor issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, exchange, defease or discharge other Indebtedness of the Issuer or a Guarantor (other than intercompany Indebtedness (other than any proceeds loan)); *provided* that:

(1) the aggregate principal amount (or accreted value, if applicable), or, if issued with original issue discount, aggregate issue price, of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) such Permitted Refinancing Indebtedness has (i) a final maturity date that is either (A) no earlier than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged or (B) after the final maturity date of the Notes and (ii) has a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged;

(3) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is expressly, contractually, subordinated in right of payment to the Notes or any Guarantee, as the case may be, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes or such Guarantee, as the case may be, on terms at least as favorable to the holders of Notes or the Guarantee, as the case may be, as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged;

(4) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is secured by a Lien that ranks junior to Liens securing the Notes or any Guarantee, Liens securing such Permitted Refinancing Indebtedness, if secured, rank junior to the Liens securing the Notes or such Guarantee, as the case may be, and are subordinated on terms at least as favorable to the holders of Notes or the Guarantee, as the case may be, as those contained in the documentation governing the Indebtedness being renewed, refunded, refinanced, replaced, exchanged, defeased or discharged; and

(5) if the Issuer or any Guarantor was the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged, such Indebtedness is Incurred either by the Issuer or by a Guarantor;

"**Permitted Reorganisations**" means the subscription for shares in, or reduction in the share capital of, any Obligor as part of the reorganisation of the Junior Group, provided that:

(1) any payments made or assets distributed by an Obligor as a result of such reorganisation are paid or distributed to another Obligor or to the Senior Parent or, if by any Obligor to any Holding Company or any Subsidiary of any such Holding Company (other than a Group Company) or any Shareholder comply with Condition 4.2 (*Restricted Payments*);

(2) such reorganisation does not result in the direct shareholders, as at the Issue Date, of the entire issued share capital of each Obligor ceasing to be the 100% direct shareholders of the entire issued share capital of such Obligor;

(3) the same or equivalent security is provided after such reorganisation as is provided by the Obligors before such reorganisation;

"**Permitted Tax Transaction**" means any surrender of Tax losses or agreement relating to any tax benefit or relief (including, but not limited to, an election under section 171A of the Taxation of Chargeable Gains Act 1992) or any other agreement in relation to Tax (including, but not limited to, the payment of any balancing payment pursuant to and in accordance with the provisions of section 195 to 198 inclusive of the Taxation (International and Other Provisions) Act 2010 and the allocation of disallowances pursuant to Part 7 of that Act) between:

(1) two Obligors;

(2) an Obligor and any Holding Company or any Subsidiary of any such Holding Company (not being an Obligor), provided in the case of this subparagraph (2) that:

(a) where the relevant transaction is a surrender of Tax losses (other than in the circumstances described in (c) below), this is for a sum at least equal to, in the case of a surrender by an Obligor, or no more than, in the case of a surrender to an Obligor, the Payment Amount;

(b) where the transaction is any transaction other than a surrender of Tax losses it leaves the Obligors, taken together, in no worse net economic position (taking into account, without limitation, the overall net Tax position of the Obligors) than they would have been in had the transaction not taken place; and

(c) where the relevant transaction is a surrender of Tax losses from an Obligor to the Senior Borrower which Tax losses arise as a result of a corresponding adjustment in respect of a disallowance of deductions in the Senior Borrower under Part 4 Taxation (International and Other Provisions) Act 2010, the surrender may be made for no consideration;

"**Permitted Transactions**" means:

(1) any Permitted Investments and any other Investments permitted under Condition 4.2 (*Restricted Payments*);

(2) any Permitted Payments;

(3) any Permitted Reorganisations;

(4) any Permitted Tax Transactions;

(5) any other transactions under or as permitted by the Note Trust Deed and the other Transaction Documents;

(6) any other transactions between Group Companies (including, but not limited to, any payments to Group Companies not otherwise prohibited under the Note Trust Deed (but excluding, for the avoidance of doubt, any Tax Transactions that are not Permitted Tax Transactions));

(7) any transactions agreed to by the Note Trustee (if directed by an Extraordinary Resolution of the Noteholders);

(8) any subscription by the Intermediate Guarantor for share capital in Intermediate HoldCo provided that the newly-issued shares become subject to the Transaction Security on the same terms as the existing shares in Intermediate HoldCo;

(9) the disposal of cash for a purpose not prohibited under the Transaction Documents;

(10) the acquisition of a business division or other assets (including the Equity Interests of a Subsidiary owning such business division or other assets) in compliance with Condition 4.8.1; and

(11) the sale, lease, transfer or other disposition of a business division or other assets (including the Equity Interests of a Subsidiary owning such business division or other assets) in compliance with Condition 4.8 (*Dispositions*).

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organisation or government or other entity;

"**Public Equity Offering**" means, with respect to any Person, a bona fide underwritten primary public offering of the shares of common stock or common equity interests of such Person, either:

(1) pursuant to a flotation on the main market of the London Stock Exchange or any other nationally recognized regulated stock exchange or listing authority in a member state of the European Union; or

(2) pursuant to an effective registration statement under the U.S. Securities Act (other than a registration statement on Form S-8 or otherwise relating to Equity Interests issued or issuable under any employee benefit plan);

"**Public Market**" means any time after:

(1) a Public Equity Offering of the IPO Entity has been consummated; and

(2) at least 20% of the total issued and outstanding shares of common stock or common equity interests of the IPO Entity has been distributed pursuant to such Public Equity Offering;

"**Quasi Security**" means an arrangement or transaction whereby an Obligor would:

(1) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor;

(2) sell, transfer or otherwise dispose of any of its receivables on recourse terms;

(3) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(4) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of, in each case, raising Indebtedness or of financing the acquisition of an asset;

"**Rating Agencies**" means the relevant rating agencies that are appointed by the Issuer from time to time, being at the Issue Date, S&P and Moody's;

"**Rating Downgrade Event**" has the same meaning as for the purposes of the Common Terms Agreement;

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Certificate**" means a Global Certificate representing Notes which are offered and sold to non-U.S. persons only outside the United States in reliance on Regulation S;

"**Regulation S Notes**" means those Notes which are offered and sold to non-U.S. persons only outside the United States in reliance on Regulation S;

"**Restricted Investment**" means an Investment other than a Permitted Investment;

"**RPI**" means UK Retail Price Index as published by the UK Office for National Statistics (or if the UK Office for National Statistics ceases to exist, its successor);

"**S&P**" means Standard & Poor's Ratings Service;

"**Secured Creditor**" has the meaning given to the term "Secured Parties" in the Intercreditor Agreement or any Additional Intercreditor Agreement.

"**Secured Obligations**" has the meaning given to that term in the Security Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended;

"**Security Documents**" means the Security Agreement and any other agreement purporting to grant a Lien by any Obligor in favour of the Security Trustee for itself and on behalf of the other Secured Creditors;

"**Senior Administrative Parties**" has the same meaning as "Administrative Parties" for the purposes of the Common Terms Agreement;

"**Senior Borrower**" means Arqiva Financing No 1 Limited;

"**Senior Debt**" has the same meaning as for the purposes of the Common Terms Agreement;

"**Senior Financing Group**" means the Senior Group other than the Senior Issuer and Senior FinCo;

"**Senior Financing Group Company**" has the same meaning as for the purposes of the Common Terms Agreement;

"**Senior FinCo**" means Arqiva Senior Finance Limited;

"**Senior Group**" means the Senior Parent and its Subsidiaries;

"**Senior Hedge Counterparty**" has the same meaning as "**Hedge Counterparty**" in the Common Terms Agreement;

"**Senior Hedging Agreement**" has the same meaning as "Hedging Agreement" for the purposes of the Common Terms Agreement;

"**Senior Hedging Transaction**" means each transaction under a Senior Hedging Agreement;

"**Senior Issuer**" means Arqiva Financing plc;

"**Senior Issuer/Borrower Facilities Fees**" has the same meaning as "Issuer/Borrower Facilities Fee" for the purposes of the Common Terms Agreement;

"**Senior Obligor Event of Default**" has the same meaning as "Obligor Event of Default" for the purposes of the Common Terms Agreement;

"**Senior Obligors**" means those Senior Financing Group Companies party to the Common Terms Agreement as an Obligor (as defined therein);

"**Senior Offsetting Hedges**" has the same meaning as "Offsetting Hedges" in the Common Terms Agreement;

"**Senior Parent**" means Arqiva Group Parent Limited;

"**Senior Signing Date**" has the same meaning as "**Signing Date**" in the Common Terms Agreement;

"**Senior Trigger Event**" has the same meaning as "Trigger Event" for the purposes of the Common Terms Agreement;

"**Shareholder Affiliate**" means:

(1) any manager or adviser (including as trustee, general partner or limited partner), controlling stockholder, partner or member, or immediate family member (in the case of an individual), of the persons listed in paragraph (1) of the definition of Shareholder Controllers/Affiliates;

(2) any direct or indirect Holding Company or Subsidiary of (a) the persons listed in paragraph (1) of the definition of Shareholder Controllers/Affiliates or (b) any person referred to in paragraph (1) above; or

(3) any fund, partnership, trust or other entity that is managed or advised (including as trustee, general partner or limited partner) by any person referred to in paragraphs (1) or (2) above.

For this purpose, the terms "**adviser**" and "**advised**" means being in receipt of and implementing advice in relation to the management of investments of that legal entity which (other than in relation to actually making decisions to implement such advice) is substantially the same as the services which would be provided by a fund manager of the relevant legal entity;

"**Shareholder Controllers/Affiliates**" means:

(1) Digital 9 Infrastructure plc, Macquarie Global Infrastructure Funds 2 S.à.r.l., Macquarie Prism Proprietary Limited, Macquarie European Infrastructure Fund II, IFM Global Infrastructure Fund, MTAA Superannuation Fund and Aware Super Pty Ltd as trustee for Aware Super; and

(2) in each case, any Shareholder Affiliate;

"**Shareholders**" means the Current Shareholders together with any transferees from time to time.

"**Stated Maturity**" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the Issue Date or the date of Incurrence, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof;

"**Sterling-Equivalent**" means, with respect to any monetary amount in a currency other than sterling, at any time of determination thereof by the Issuer or the Note Trustee, the amount of sterling obtained by converting such currency other than sterling involved in such computation into sterling at the spot rate for the purchase of sterling with the applicable currency other than sterling as published in *The Financial Times* in the "**Currency Rates**" section (or, if *The Financial Times* is no longer published, or if such information

is no longer available in *The Financial Times*, such source as may be selected in good faith by the Issuer) on the date of such determination;

"**Subordinated Debt**" means all money and liabilities now or in the future due or owing to any Investor by the Parent Guarantor under or in connection with any Investor Document in any currency, whether actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety, together with all accrued interest, all related costs, charges and expenses;

"**Subsidiary**" means a subsidiary within the meaning of Section 1159 of the Companies Act 2006 and, unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 1162 of the Companies Act 2006, which, in each case, for this purpose shall be treated as including any person the shares or ownership interests in which are subject to any Liens and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such Liens;

"**Tax Transaction**" means any surrender of tax losses or agreement relating to any tax benefit or relief (including, but not limited to, an election under section 171A of the Taxation of Chargeable Gains Act 1992) or any other agreement in relation to tax (including, for the avoidance of doubt, but not limited to the payment of any balancing payment pursuant to and in accordance with the provisions of section 195 to 198 inclusive of the Taxation (International and Other Provisions) Act 2010) and the allocation of disallowances pursuant to Part 7 of that Act;

"**Test Date**" means 30 June and 31 December in each year;

"**Test Period**" means each 12-month period ending on (and including) a Test Date.

"**Transaction Documents**" means the Notes, the Note Trust Deed, the Agency Agreement, the Security Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement, the Global Deed of Release and Termination and the Intercompany Loan Agreement.

"**Transaction Security**" means the security in favour of the Security Trustee under or pursuant to the Security Agreement including any guarantee or obligation to provide cash collateral or further assurance thereunder;

"**Treasury Transaction**" means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, index linked agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap, basis rate swap or combined similar agreement, any energy, oil or other commodity derivative transaction or any derivative transaction protecting against or benefiting from fluctuations in any rate, index or price;

"**UK GAAP**" means generally accepted accounting principles in the United Kingdom.

"**UK Government Securities**" means direct obligations of, or obligations guaranteed by, the United Kingdom, and the payment for which the United Kingdom pledges its full faith and credit;

"**UK IFRS**" means the UK-adopted International Accounting Standards.

"**U.S. person**" has the meaning in the Regulation S;

"**Voting Stock**" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person;

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final

maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amounts of such Indebtedness.

## DEFINED TERMS FOR THE PURPOSES OF THE COMMON TERMS AGREEMENT

For the purposes of this Offering Memorandum, any terms defined by reference to the Common Terms Agreement shall have the following meanings:

"**Acceptable Bank**" means:

(a) a bank or financial institution which has a rating for its long term unsecured debt obligations of A- or higher by S&P and Fitch or A3 or higher by Moody's or a comparable rating from another rating agency; or

(b) any other bank or financial institution approved by the Obligor Security Trustee as directed in accordance with the STID.

"**Accession Memorandum**" means: (a) with respect to the STID, each memorandum to be entered into pursuant to Clause 2 (Accession), Clause 4 (Accession of Additional Obligors) or Clause 29 (Benefit of Deed) (as applicable) of the STID and which is substantially in the form set out in Schedule 1 (Form of Accession Memorandum) to the STID; and (b) with respect to the CTA, each memorandum to be entered into pursuant to Clause 1.4(a) (Obligors) of the CTA and which is substantially in the form set out in Schedule 11 (Form of Accession Memorandum) to the CTA.

"**Accounting Principles**" means accounting principles, policies, standards, bases and practices which, from time to time, are generally accepted under UK GAAP or IFRS.

"**Additional Equity**" means (in each case in addition to such amounts subscribed, committed or incurred on or before the Closing Date or the relevant Test Date):

(a) any amount subscribed by the Subordinated Lender in cash for shares in the Parent or any other form of capital contribution in cash to the Parent by the Subordinated Lender (which is not Financial Indebtedness and provided that repayment (if any) of such amounts is subject to the terms of the STID); or

(b) the incurrence of Subordinated Debt by the Parent from the Subordinated Lender.

"**Additional Issuer Secured Creditor**" means any person that as at the Closing Date is not already an Issuer Secured Creditor and which becomes an Issuer Secured Creditor pursuant to the provisions of Clause 2.5 (Accession of Additional Issuer Secured Creditor) of the Issuer Deed of Charge.

"**Administrative Party**" means the Obligor Security Trustee, the Issuer Security Trustee, the Borrower Account Bank, the Issuer Account Bank, any Agent or any Facility Agent and their replacements or successors.

"**AF No 1**" means Arqiva Financing No 1 Limited, a company incorporated in England and Wales with limited liability (registered number 06137924).

"**AF No 2**" means Arqiva Financing No 2 Limited, a company incorporated on 5 March 2007 in England and Wales with limited liability (registered number 06137899).

"**AF No 3**" means Arqiva Financing No 3 plc, a public limited company incorporated in England and Wales with limited liability (registered number 05253998).

"**Affected Liquidity Facility Provider**" means a Liquidity Facility Provider which has advanced a Standby Drawing.

"**Affected Obligor Secured Creditor**" means each Obligor Secured Creditor (and, where the Issuer is the Affected Obligor Secured Creditor, each Issuer Secured Creditor (an "**Affected Issuer Secured Creditor**") whose Entrenched Rights are affected by a STID Proposal given by the Borrower to the Obligor Security Trustee pursuant to the STID (together the "**Affected Secured Creditors**").

"**Agency Agreement**" means the agreement dated on or about the Signing Date between, *inter alios*, the Issuer, Principal Paying Agent and Note Trustee pursuant to which the Agents provide agency services to the Issuer and, for the purposes of Clause 2.7 thereof only, the Note Trustee.

"**Agent**" means each of the Paying Agents, the Principal Paying Agent, the Transfer Agent, the Agent Bank, the Registrar, any Calculation Agent and the Exchange Agent or any other agent appointed by the Issuer pursuant to the "**Agency Agreement**" and "**Agents**" means all of them.

"**Agent Bank**" means Deutsche Bank AG, London Branch, or any successors or replacement thereto, in its capacity as the agent bank to the Issuer under the Agency Agreement.

"**AGL**" means Arqiva Group Limited, a company incorporated in England and Wales with limited liability (registered number 05254001).

"**Agreed Form Borrower Master Agreement**" shall have the meaning given to such term in paragraph 3.1 of the Issuer/Borrower Hedging Policy.

"**Ancillary Facility**" means a facility made available to the Borrower by an Ancillary Facility Provider on a bilateral basis and on normal commercial terms in place of all or part of a Working Capital Facility Provider's participation in a Working Capital Facility.

"**Ancillary Facility Provider**" means a consenting Working Capital Facility Provider or an affiliate of a Working Capital Facility Provider that makes an Ancillary Facility available to the Borrower.

"**Arqiva Group**" means AGL and its subsidiaries.

"**ATIL**" means Arqiva Telecoms Investment Limited (registered number 03696564), a company incorporated in England and Wales with limited liability.

"**AUKBL**" means Arqiva UK Broadcast Holdings Limited (registered number 05254048), a company incorporated in England and Wales with limited liability.

"**Authorised Facility**" means any facility, agreement, security, derivative or finance lease entered into by the Borrower for Senior Debt as permitted by the terms of the CTA, the providers of which are parties to or have acceded to the MDA, the STID and the CTA, and includes (amongst others) the Issuer/Borrower Facilities Agreement, the Working Capital Facilities Agreement, the Liquidity Facility Agreement, the Borrower Hedging Agreements and the Issuer/Borrower Hedging Agreements and (a) any fee letter or commitment letter entered into in connection with the foregoing facilities, agreements, securities or finance leases or the transactions contemplated in the foregoing facilities, agreements, securities or finance leases and (b) any other document (not being a Common Document) that has been entered into in connection with or to refinance any of the foregoing facilities, agreements, securities or finance leases or the transactions contemplated in the foregoing facilities, agreements, securities or finance leases that has been designated as a document that should be deemed to be an Authorised Facility for the purposes of this definition by the parties thereto (including the Borrower).

"**Authorised Facility Provider**" means a lender or other provider of credit or financial accommodation to the Borrower under any Authorised Facility (including, for the avoidance of doubt, the Issuer and each Borrower Hedge Counterparty).

"**Authorised Investments**" means investments in Cash Equivalents.

"**BBF Agents**" means the CF&WCF Agent and the LF Agent.

"**Base Case Model**" means the base case financial model referred to in Schedule 1 of the CP Agreement.

"**Borrower**" means AF No 1 or any successor thereto appointed in accordance with the CTA.

"**Borrower Account Bank**" means National Westminster Bank plc, or any successor thereto, appointed to act as the account bank to the Borrower pursuant to the Borrower Account Bank Agreement.

"**Borrower Account Bank Agreement**" means the account bank agreement dated on or about the Signing Date between the Borrower, the Borrower Account Bank, the Borrower Cash Manager, the LF Agent, the Issuer, the Issuer Security Trustee and the Obligor Security Trustee.

"**Borrower Bank Facilities**" means each Capex Facility, Working Capital Facility, Liquidity Facility, any Ancillary Facility, any Permitted Facility and any other Authorised Facility other than a Finance Lease, Issuer/Borrower Facility or Borrower Hedge (each a "**Borrower Bank Facility**").

"**Borrower Bank Facility Agreements**" means the agreements pursuant to which the Borrower Bank Facilities are provided.

"**Borrower Bank Facility Providers**" and "**BBF Providers**" means the providers of the Borrower Bank Facilities under the Borrower Bank Facility Agreements.

"**Borrower Cash Manager**" means the Initial Borrower Cash Manager and any successor or replacement.

"**Borrower Facilities**" means the Borrower Bank Facilities and the Issuer/Borrower Facilities.

"**Borrower Hedge Counterparties**" means those financial institutions listed in Part 6 (Borrower Hedge Counterparties) of Schedule 13 (Financial Institutions) to the CTA and each other Obligor Secured Creditor that accedes to the CTA and the STID and enters into an Agreed Form Borrower Master Agreement with the Borrower (but excluding, for the avoidance of doubt, the Issuer).

"**Borrower Hedges**" means the New Hedges entered into by the Borrower (but excluding, for the avoidance of doubt, any Issuer/Borrower Hedges).

"**Borrower Hedging**" means all of the Borrower Hedges.

"**Borrower Hedging Agreement**" means each Pari Passu Borrower Hedging Agreement and each Super Senior Borrower Hedging Agreement.

"**Borrower Liquidity DSR Account**" means an account opened in the name of the Borrower and maintained with the Borrower Account Bank pursuant to the terms of the Borrower Account Bank Agreement and credited with a cash reserve for the purpose of satisfying the Debt Service Shortfall Test or such other account as may be opened, with the consent of the Obligor Security Trustee, at any branch of the Borrower Account Bank in replacement of such account.

"**Borrower Loans**" means the loans made under the Borrower Facilities.

"**Borrower Payment Priorities**" means the Borrower Pre-Enforcement Payment Priorities, the Borrower Post-Enforcement (Pre-Acceleration) Payment Priorities and the Borrower Post-Enforcement (Post-Acceleration) Payment Priorities.

"**Borrower Post-Enforcement Payment Priorities**" means the provisions relating to the order of the priority of payments as set out in Schedule 2 (Borrower Post-Enforcement Payment Priorities) to the STID.

"**Borrower Post-Enforcement (Post-Acceleration) Payment Priorities**" means the provisions relating to the order of priority of payments following the delivery of an Obligor Acceleration Notice to the Borrower as set out in Part 2 of Schedule 2 (Borrower Post-Enforcement (Post-Acceleration) Payment Priorities) to the STID.

"**Borrower Post-Enforcement (Pre-Acceleration) Payment Priorities**" means the provisions relating to the order of priority of payments following the delivery of an Obligor Enforcement Notice to the Borrower but prior to an Obligor Acceleration Notice being delivered to the Borrower as set out in Part 1 of Schedule 2 (Borrower Post-Enforcement (Pre-Acceleration) Payment Priorities) to the STID.

"**Borrower Pre-Enforcement Payment Priorities**" means the provisions relating to the order of priority of payments prior to the delivery of an Obligor Enforcement Notice and/or an Obligor Acceleration Notice to the Borrower as set out in Schedule 8 (Borrower Pre-Enforcement Pre-Acceleration Payment Priorities) to the CTA.

"**Business Days**" means a day (other than a Saturday or a Sunday) (a) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Luxembourg; or (b) if a payment in U.S Dollars is required to be made on that day, is a day on which banks generally are open for business in London and New York City, unless (in either case) specified otherwise in the Conditions, Final Terms or any Transaction Document.

"**Calculation Agency Agreement**" means, in relation to any Series of Notes, an agreement in or substantially in the form set out in Schedule 1 (Form of Calculation Agency Agreement) to the Agency Agreement.

"**Calculation Agent**" means the entity, or any successor thereto, appointed to act as the calculation agent to the Issuer and shall include any successor calculation agent.

"**Capex**" means any capital expenditure by a Senior Financing Group Company (net of any associated non-refundable grants and contributions received) incurred (or, in respect of any future period, forecast to be incurred) relating to increases in capacity or enhancement of service levels, quality or security of supply in relation to a Permitted Business.

"**Capex and Working Capital Facilities Agreement**" means the Initial Capex and Working Capital Facilities Agreement and any other facility agreement under which a Capex Facility and a Working Capital Facility is made available to the Borrower after the Signing Date.

"**Capex Facility**" means the Initial Capex Facility and any other facility made available to the Borrower after the Signing Date to fund the Borrower's capex requirements (or, as the context requires, the agreements pursuant to which they are made available).

"**Capex Facility Providers**" means the Initial Capex Facility Providers and any other bank or financial institution which provides the Borrower with credit under a Capex Facility and who accedes to the MDA, the CTA and the STID after the Signing Date.

"**Capex Loans**" means the Initial Capex Loans and any other term loans made after the Signing Date and in accordance with the terms of the relevant Capex and Working Capital Facilities Agreement.

"**Cash**" means cash deposits with any bank or financial institution (including for the avoidance of doubt, any cash deposits standing to the credit of any Liquidity DSR Account or any Liquidity Standby Account), but excluding any cash deposits standing to the credit of the Minimum Maintenance Capex Reserve Account.

"**Cash Equivalents**" means at any time:

(a) certificates of deposit issued by an Acceptable Bank;

(b) any investment in marketable securities issued or guaranteed by the Government of the United States of America, the United Kingdom or provided that it has a credit rating of A-1 or higher by S&P or F-1 or higher by Fitch, any member state of the European Economic Area or any Participating Member State, or by an instrumentality or agency of any of them having an equal credit rating which is not convertible to any other security;

(c) commercial paper not convertible or exchangeable to any other security:

    (i) for which a recognised trading market exists;

(ii) issued in the United States of America, the United Kingdom or any member state of the European Economic Area or any Participating Member State; and

(iii) which has a credit rating of or higher than either A-1 by S&P and F-1 by Fitch, or, if no rating is available in respect of such commercial paper, the issuer of which has, in respect of its long-term unsecured debt obligation and non-credit enhanced debt obligations, an equivalent rating;

(d) investments accessible within 30 days in money market or liquid funds which:

(i) have a credit rating of or higher than A-1 by S&P and F-1 by Fitch; and

(ii) invest substantially all their assets in securities of the types described in Paragraphs (a) to (c) above; or;

(e) any other debt security or investment with a fixed principal amount due at its maturity and (i.e., it is not callable, putable, or convertible), unless full payment of principal is paid in cash upon the exercise of the embedded option, that (i) is issued or guaranteed by the Government of the United States of America, the United Kingdom or provided that it has a credit rating of A-1 or higher by S&P or F-1 or higher by Fitch, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency or (ii) has a credit rating of or higher than either A-1 by S&P and F-1 by Fitch and is approved by the Obligor Security Trustee as directed in accordance with the STID,

in each case:

(i) which is not issued or guaranteed by any Senior Financing Group Company or the Issuer or subject to any Security Interest (other than one arising under the Obligor Security Documents)

(ii) such instrument or investment provides for payment of a pre-determined fixed amount of principal on maturity that is not subject to change; and

(iii) has a Stated Maturity (giving effect to any applicable grace period) which is not more than 365 days, and either (a) has a Stated Maturity (giving effect to any applicable grace period) which is not later than the Business Day immediately preceding the next following Payment Date or (b) is capable of being liquidated at par on demand without penalty.

"**Cash Sweep Period**" means any Test Period in respect of which the Borrower is required to deposit Excess Cash Flow into the Lock-up Account, for application in accordance with Part 5 (Mandatory Prepayment and Voluntary Prepayment) of Schedule 2 (Covenants) to the CTA.

"**Cashflow**" means, for any Test Date, Net Cash Flow during the Test Period ending on (and including) such Test Date (without double counting):

(a) plus any insurance proceeds related to business interruption (where to be applied to cover operating losses in respect of which the relevant insurance claim was made) and third-party liability received by a member of the Senior Financing Group (to the extent such amounts are not subsequently paid to a third party);

(b) plus any Finance Lease payments in respect of interest payable and equivalent financial charges included in Net Cash Flow; and

(c) plus any dividends or other distributions received in cash by any Senior Financing Group Company from any entity which is not a Senior Financing Group Company, including any cash receipts from joint ventures,

in each case during the Test Period ending on (and including) such Test Date.

"**CF&WCF Agent**" means the Initial CF&WCF Agent and any other agent appointed after the Signing Date under the relevant Capex and Working Capital Facilities Agreement.

"**Closing Date**" means the date of issue of the first Series of Notes under the Programme.

"**Common Documents**" means the CTA, the STID, the Security Deed, the other Security Documents, the Master Definitions Agreement, the CP Agreement, the Borrower Account Bank Agreement and the Tax Deed of Covenant and any other agreement, instrument or deed designated by the Obligor Security Trustee and at least one Obligor as a Common Document.

"**Common Terms Agreement**" or "**CTA**" means the common terms agreement dated on or about the Signing Date between, among others, the Obligors, the Obligor Secured Creditors (including the Borrower Bank Facility Providers and the Issuer), the Obligor Security Trustee and the Issuer Security Trustee.

"**Companies Act**" means the Companies Act 2006.

"**Compliance Certificate**" means the compliance certificate prepared by the Borrower or on the Borrower's behalf in substantially the form set out in the Common Terms Agreement.

"**Compliance Certificate Date**" means the date on which a Compliance Certificate is dated.

"**Conditions**" means the terms and conditions of the Notes set out in the Note Trust Deed as modified and/or supplemented by the Final Terms in relation to a particular Series of Notes, as the same may, from time to time be modified in the manner permitted under the Note Trust Deed.

"**Conditions Precedent**" means the various conditions precedent, as detailed in the CP Agreement, which must be satisfied before the Closing Date.

"**CP Agreement**" means the agreement dated on or about the Signing Date to be entered into by all of the parties to the Master Definitions Agreement which sets out all of the Conditions Precedent.

"**Currency**" means sterling, U.S. dollars, euro and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer (each a "**Currency**") as specified in the applicable Final Terms.

"**Currency Hedges**" means any Treasury Transaction forming part of and subject to a Hedging Agreement pursuant to which amounts payable by a party are determined by reference to a currency exchange rate.

"**Currency Hedging**" means all of the Currency Hedges.

"**Dealers**" means HSBC Bank plc, Barclays Bank plc, Lloyds Bank Corporate Markets plc, Mitsubishi UFJ Securities International plc and The Royal Bank of Scotland plc appointed to act in the capacity of dealer in respect of the initial issuance under the Programme on the Closing Date, any new dealer (as defined in the Programme Agreement) appointed in accordance with Clause 14 (*Changes in Dealers*) of the Programme Agreement and excludes any entity whose appointment has been terminated pursuant to Clause 14 (*Changes in Dealers*) of the Programme Agreement and references in the Programme Agreement to the relevant Dealer shall, in relation to any Note, be references to the Dealer or Dealers with whom the Issuer has agreed the initial issue and purchase of such Note.

"**Debt Service**" means, for any Test Date, the sum of Net Interest Payable during the relevant Test Period ending on (and including) such Test Date and scheduled amortisation in respect of the Senior Debt due as an obligation of any Senior Financing Group Company during the Test Period ending on (and including) such Test Date (without double counting):

(a) excluding any principal payment due on the Final Maturity Date (other than any final scheduled repayment for fully amortising debt) of any Senior Debt; and

(b) taking into account any interim principal exchange payments that are payable and receivable under any Hedging Agreements (but excluding, for the avoidance of doubt, (i) any final principal exchange payments that are payable and receivable under any Hedging Agreements (other than in respect of any final scheduled repayment of fully amortising debt) and (ii) any accretions by indexation to the notional amount under any Inflation Linked Hedging Agreements).

"**Debt Service Test Shortfall Test**" means the sum of interest, recurring fees and commissions (that are accounted for as interest under IFRS), scheduled principal amounts and other scheduled amounts payable by the Borrower on the Borrower Facilities (other than the Issuer/Borrower Facilities) and under any Issuer/Borrower Hedges and Borrower Hedges or by the Issuer on the Notes and under any Issuer Hedges, in each case without double counting consolidating obligations (including any Issuer Hedge with a corresponding Issuer/Borrower Hedge), for the Projected Test Period commencing on (but excluding) such Test Date (but excluding any principal payment due on the Final Maturity Date (other than any final scheduled repayment for fully amortising debt) of the Borrower Facilities (other than the Issuer/Borrower Facilities) and of the Notes, and taking into account:

(a) (in the case of the Borrower) any interest payments receivable by the Borrower and any interim principal exchange payments payable and receivable by the Borrower under any Issuer/Borrower Hedging Agreements other than in respect of any final scheduled repayment except for fully amortising debt and Borrower Hedging Agreements (but excluding, for the avoidance of doubt, (i) any final principal exchange payments that are payable and receivable by the Borrower under any Borrower Hedging Agreements other than in respect of any final scheduled payment in respect of fully amortising debt and Issuer/Borrower Hedging Agreements and (ii) any accretions by indexation to the notional amount under any Inflation Linked Hedging Agreements or corresponding Issuer/Borrower Hedging Agreements entered into by the Borrower); and

(b) (in the case of the Issuer) any interest payments receivable by the Issuer under any Issuer Hedging Agreements (but excluding, for the avoidance of doubt, any final principal exchange payments that are payable and receivable by the Issuer under any Issuer Hedging Agreements other than in respect of any final exchange payment in respect of fully amortising debt),

is more than the sum of amounts available to the Borrower and the Issuer for drawing under the Liquidity Facility and the balance (if any) on the Liquidity Standby Account, the Borrower Liquidity DSR Account and the Issuer Liquidity DSR Account.

"**Debt Service Shortfall Test**" has the meaning given to it in Paragraph 3 of Part 1 (Trigger Events) of Schedule 3 (Trigger Events) to the CTA.

"**Decision Period**" means the period of time within which the approval of the Obligor Security Trustee is sought as specified in relation to each type of voting matter in the STID.

"**Discretion Matters**" means a matter in relation to which the Obligor Security Trustee may exercise its discretion to approve any request made in a STID Proposal without any requirement to seek the approval of any Obligor Secured Creditor, Issuer Secured Creditor or any of their representatives.

"**Disposal Cure**" has the meaning given to it in Paragraph 6 of Part 2 (Trigger Event Consequences) of Schedule 3 (Trigger Events) to the CTA.

"**Distressed Disposal**" means a disposal of an asset of a member of the Senior Financing Group which is:

(a) being effected pursuant to instruction in accordance with the STID in circumstances where the Obligor Security has become enforceable;

(b) being effected by enforcement of the Obligor Security; or

(c) being effected, after the occurrence of an Enforcement Action, by an Obligor to a person or persons outside of the Senior Financing Group.

"**Downgraded Liquidity Facility Provider**" means a Liquidity Facility Provider which does not on any day have a minimum long term rating of at least equal to the Liquidity Facility Provider Requisite Rating.

"**Drawing**" means a Liquidity Loan Drawing or a Standby Drawing.

"**Early Termination Date**" has the meaning given to it in the relevant Hedging Agreement.

"**EBITDA**" means for any Test Date, the consolidated earnings of the Senior Financing Group calculated in accordance with IFRS during the Test Period ending on (and including) such Test Date before (without double counting):

(a) the deduction of taxation;

(b) the deduction of any interest, commission, fees, discounts, prepayment fees, premiums, charges or other payments in the nature of a finance charge whether paid, payable or capitalised by any member of the Senior Financing Group (calculated on a consolidated basis);

(c) the addition of interest receivable;

(d) the deduction of any amount attributable to amortisation of goodwill or other intangible assets and any deduction for depreciation or impairment;

(e) the deduction or addition (as applicable) of any non-cash charges resulting from fair value adjustments and mark-to-market adjustments;

(f) the deduction of any non-cash charges relating to long-term compensation schemes;

(g) taking into account any non-cash charges relating to recognition of pension plan deficits; and

(h) taking into account fair value gains or losses on any financial instrument other than any derivative instrument which is accounted for on a hedge accounting basis,

and after adjusting to (i) exclude exceptional items which shall include (but not be limited to) transaction costs, integration costs, separation costs, restructuring costs, reorganisation costs and other one-off expenditure and (ii) deduct any amounts paid by a Senior Financing Group Company to a Non-Senior Financing Group Company pursuant to paragraph (e) of the definition of Restricted Payments, less the consolidated earnings (before the deductions and adjustments referred to above) of the Senior Financing Group Companies that are incorporated outside of the United Kingdom and in aggregate exceed 5% of the consolidated earnings (before the deductions and adjustments referred to above) of the Senior Financing Group.

"**Enforcement Action**" means any step that an Obligor Secured Creditor is entitled to take to enforce its rights against an Obligor under an Obligor Transaction Document following the occurrence of an Obligor Event of Default including, but not limited to, the declaration of an Obligor Event of Default, the institution of proceedings, the making of a demand for payment under a guarantee, the making of a demand for cash collateral under a guarantee or the acceleration of Obligor Secured Liabilities by an Obligor Secured Creditor or Obligor Secured Creditors pursuant to the terms of the applicable Obligor Transaction Documents or the enforcement of the Obligor Security, provided that the making of a demand under a Hedging Agreement shall not constitute Enforcement Action for the purposes of this definition.

"**Enforcement Instruction Notice**" has the meaning given to it in Clause 18.2 (Enforcement Instruction Notices) of the STID.

"**Entrenched Rights**" means any modification to, consent or waiver under or in respect of, any term of any Common Document if the proposed modification, consent or waiver:

(a) would delay the date fixed for payment of any amount of the debt owed to the relevant Obligor Secured Creditor or would reduce the amount payable in respect of such debt;

(b) other than pursuant to an Obligor Acceleration Notice, would bring forward the date fixed for payment of principal, interest or other amount in respect of the debt owed to an Obligor Secured Creditor or would increase the amount of principal or other amount or the rate of interest payable on any date in respect of the debt owed to the Obligor Secured Creditor;

(c) would have the effect of adversely changing any of the Borrower Post-Enforcement Payment Priorities or application thereof in respect of an Obligor Secured Creditor (including, in the case of the Issuer, any Issuer Secured Creditor that would be adversely affected by such change);

(d) would have the effect of adversely changing any of the Borrower Pre-Enforcement Payment Priorities or application thereof in respect of an Obligor Secured Creditor (including, in the case of the Issuer, any Issuer Secured Creditor that would be adversely affected by such change);

(e) would change or would have the effect of changing:

(i) any of the following definitions: Affected Obligor Secured Creditor, Qualifying Debt, Voted Qualifying Debt, Qualifying Secured Creditors, Secured Creditor Representatives, STID Proposal, Discretion Matters, Ordinary Voting Matters, Extraordinary Voting Matter, Enforcement Instruction Notice, Further Enforcement Instruction Notice, Reserved Matters, Entrenched Rights, Obligor Secured Liabilities and/or Distressed Disposal;

(ii) the Decision Period, Quorum Requirement or voting majority required in respect of any Ordinary Voting Matter, Extraordinary Voting Matter, Enforcement Instruction Notice or Further Enforcement Instruction Notice;

(iii) any of the matters that give rise to Entrenched Rights under the STID; or

(iv) Clause 16.1 (Scope of Entrenched Rights) of the STID;

(f) would result in the exchange of the debt owed to the relevant Obligor Secured Creditor for, or the conversion of such debt into, shares, bonds or other obligations of any other person;

(g) would have the effect of changing or would relate to the currency of payments due in respect of the debt owed to the relevant Obligor Secured Creditor (other than due to the United Kingdom becoming one of the countries participating in the third stage of European economic and monetary union pursuant to the Treaty or otherwise participating in European economic and monetary union in a manner with similar effect to such third stage);

(h) would have the effect of changing or would relate to the rights of the relevant debt provider to receive any sums owing to it for its own account in respect of fees, costs, charges, liabilities, taxes, damages, proceedings, claims and demands in relation to any Transaction Document to which it is a party;

(i) would change or would relate to any existing obligation of an Obligor to gross up any payment in respect of the debt owed to the relevant Obligor Secured Creditor in the event of the imposition of withholding taxes (including, in the case of the Issuer, any Issuer Secured Creditor that would be adversely affected by such change);

(j) would change or have the effect of changing Clause 10.2 (Participating Secured Creditors) of the STID;

(k) would change or have the effect of changing Schedule 3 (Reserved Matters) to the STID;

(l) would have the effect of changing the nature or the scope or would release any of the Obligor Security (unless equivalent replacement security is taken at the same time) unless such release is

permitted in accordance with the terms of the Common Documents, for the avoidance of doubt, the taking of any Enforcement Action shall not be an Entrenched Right;

(m) in respect of each Liquidity Facility Provider, would change or have the effect of changing Clause 20.4 (Borrower Post-Enforcement (Post-Acceleration) Payment Priorities) of the STID and Paragraph 7 (Disposals) of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA or would affect the ability of such Liquidity Facility Provider to enforce its rights under the Liquidity Facility Agreement;

(n) would effect the exchange, conversion or substitution of the debt owed to the relevant Obligor Secured Creditor for, or their conversion into, shares, notes or other obligations or securities of the Borrower or any other person or body corporate formed or to be formed;

(o) would change or have the effect of changing the definitions of Obligor Acceleration Notice, Obligor Enforcement Notice or Issuer Enforcement Notice or the consequences of the delivery of an Obligor Acceleration Notice, the Borrower Payment Priorities, the Borrower Pre-Enforcement Payment Priorities, the Borrower Post-Enforcement (Pre-Acceleration) Payment Priorities or the Borrower Post-Enforcement (Post-Acceleration) Payment Priorities;

(p) in respect of each Pari Passu Borrower Hedge Counterparty, each Pari Passu Issuer Hedge Counterparty, each Super Senior Borrower Hedge Counterparty and each Super Senior Issuer Hedge Counterparty (in addition to those matters specified in paragraphs (a) to (o) above (inclusive) and subject to Clause 16.2(a) of the STID):

(i) would change or have the effect of changing the Minimum Rating Agency Requirement that either (A) each Hedge Counterparty must satisfy, or (B) the guarantor of such Hedge Counterparty's obligations under the relevant Hedging Agreement must satisfy, as the case may be, at any time, other than a change required by a Rating Agency in respect of the Minimum Rating Agency Requirements that apply to any Hedge Counterparty or guarantor of any Hedge Counterparty on the date on which it enters into any Hedge or becomes the transferee in respect of the novation of any Hedge in order to maintain the current rating of the Notes of BBB or to restore the rating of the Notes to BBB, as the case may be;

(ii) would change or have the effect of changing the provisions of paragraphs 5, 9, 10 and 12 of the Issuer/Borrower Hedging Policy;

(iii) would deny or have the effect of denying a Borrower Hedge Counterparty or an Issuer Hedge Counterparty the right to receive the same information as provided to the other parties pursuant to part 1 (Information Covenants) of schedule 2 (Covenants) to the CTA; or

(iv) would change or would have the effect of changing any of the following definitions in a manner that relates to, and is materially prejudicial to the rights and obligations of such Hedge Counterparty (as applicable): Agreed Form Borrower Master Agreement; Borrower Hedge Counterparties; Borrower Hedges; Borrower Hedging; Borrower Hedging Agreement; Currency Hedges; Currency Hedging; the proviso to the definition of Enforcement Action; Hedge Counterparties; Hedge with Break Clause; Hedged Debt Covenant; Hedges; Hedging; Hedging (with Breaks) Condition; Hedging Agreements; Hedging Policy; Hedging Test Date; Inflation Linked Hedges; Inflation Linked Hedging; Inflation Linked Hedging Agreement; Interest Rate Hedges; Interest Rate Hedging; Issuer Hedges; Issuer Hedging; Issuer Hedging Agreements; Issuer Qualifying Debt; Issuer Qualifying Secured Creditors; Issuer Secured Creditor Entrenched Right; Issuer Secured Creditors; Issuer Secured Liabilities; Issuer Security; Issuer Transaction Documents; Issuer/Borrower Hedges; Issuer/Borrower Hedging Agreements; Issuer/Borrower Hedging Policy; Issuer/Borrower Rate Hedge; Mark Statement; New Hedges; New Pari Passu Hedges; New Super Senior Hedges; Obligor

Secured Creditors; Obligor Secured Liabilities; Obligor Transaction Documents; Offsetting Hedge Annuity; Offsetting Hedges; the sub-paragraphs of the definition of Outstanding Principal Amount relating to Hedging Agreements; Pari Passu Borrower Hedge Counterparty; Pari Passu Borrower Hedges; Pari Passu Borrower Hedging Agreement; Pari Passu Hedges; Pari Passu Hedging Agreement; Pari Passu Hedging Transaction; Pari Passu Issuer Hedge Counterparty; Pari Passu Issuer Hedges; Pari Passu Issuer Hedging Agreement; Pari Passu Issuer/Borrower Hedges; Pari Passu Issuer/Borrower Hedging Agreement; Permitted Hedge Termination; Permitted Treasury Transaction; Proposed Super Senior Trade Date; Qualifying Debt; Qualifying Secured Creditors; Rate Hedge Type; Rate Hedges; Risk Weighted Notional Amount; Secured Creditors; Super Senior Borrower Hedges; Super Senior Borrower Hedging Agreement; Super Senior Ceiling; Super Senior Hedge Counterparty; Super Senior Hedging Agreement; Super Senior Issuer Hedges; Super Senior Issuer Hedging Agreement; Super Senior Issuer/Borrower Hedge; Super Senior Issuer/Borrower Hedging Agreements and Super Senior Test Date;

(q) in respect of each Super Senior Hedge Counterparty (in addition to those matters specified in Paragraphs (a) to (p) above (inclusive) and subject to Clause 16.2(a) of the STID), would change or have the effect of changing the provisions of Subparagraphs 4.1 (a) and (b) (Interest Rate Hedging and Inflation Linked Hedging) of Schedule 5 (Hedging Policy and Overriding Provisions Relating To Hedging Agreements) to the CTA but only in so far as such change relates to:

(a) any increase to, or waiver in respect of, the maximum percentage specified in such Subparagraph 4.1(a) such that the amount equal to:

(i) the sum of:

(A) the total outstanding principal amount of the Notes and the Borrower Loans (excluding any Issuer/Borrower Loans) which either:

I bear interest at a fixed rate; or

II pay a return that is index-linked to inflation; and

(B) the aggregate notional amount of all outstanding Interest Rate Hedges and Inflation Linked Hedges which are entered into by either the Issuer or the Borrower (excluding any Issuer/Borrower Hedges) (together, the "**Rate Hedges**"), less

(ii) the aggregate notional amount of: (x) any Offsetting Hedges and the portion (which may be a part or the entirety) of any Primary Hedges which have been offset by such Offsetting Hedges, (y) any Overlay Hedges, and (z) any Inflation Linked Hedges in respect of which the Borrower or the Issuer (as applicable) receives a fixed rate of interest,

would be permitted to be greater than 110% of the total outstanding principal amount of the Notes and the Borrower Loans (excluding any Issuer/Borrower Loans) for the period up to (and including) the day that is five years from the relevant Hedging Test Date, and/or

(b) any increase to, or waiver in respect of the maximum percentage specified in such Subparagraph 4.1(b) such that the amount equal to:

(i) the sum of:

(A) the total outstanding principal amount of the Notes and the Borrower Loans (excluding any Issuer/Borrower Loans) which either:

I bear interest at a fixed rate; or

II pay a return that is index-linked to inflation; and

(B) the aggregate notional amount of all outstanding Rate Hedges, less

(ii) the aggregate notional amount of: (x) any Offsetting Hedges and the portion (which may be a part or the entirety) of any Primary Hedges which have been offset by such Offsetting Hedges, (y) any Overlay Hedges, and (z) any Inflation Linked Hedges in respect of which the Borrower or the Issuer (as applicable) receives a fixed rate of interest,

would be permitted to be greater than 115% of the total outstanding principal amount of the Notes and the Borrower Loans (excluding any Issuer/Borrower Loans) for the period up to (and including) the day that is seven years from such Hedging Test Date; and

(c) would change or have the effect of changing the provisions of subparagraphs 7.3, 7.4 or 8 of the Issuer/Borrower Hedging Policy, but only in so far as such change would be materially prejudicial to the rights of such Super Senior Issuer Hedge Counterparty and/or such Super Senior Borrower Hedge Counterparty (as applicable).

"**Equivalent Amount**" means the amount in question expressed in the terms of pounds sterling, calculated on the basis of the Exchange Rate.

"**Excess Cash Flow**" means, in respect of the six-month period ending on any Test Date, the Cashflow for such period:

(a) plus any exceptional or one-off items that represent cash receipts by the Senior Financing Group and were excluded from EBITDA;

(b) minus any exceptional or one-off items that represent expenditure by the Senior Financing Group and were excluded from EBITDA;

(c) minus the aggregate Debt Service, any voluntary prepayments of Senior Debt (other than any voluntary prepayments made after an Obligor becoming aware of a Trigger Event or during any Cash Sweep Period other than (and therefore to be deducted from Cashflow), any voluntary prepayments of the Capex Loans if the Borrower exercises its right of voluntary prepayment under the relevant Capex Loan) and all other payments due in respect of the Senior Debt (but excluding any payments excluded from Debt Service under paragraphs (a) and (b) of that definition to the extent funded by Permitted Financial Indebtedness) and (without double counting) all termination payments due to a Hedge Counterparty under any Hedging Agreements in respect of all such payments and prepayments;

(d) minus any costs paid by the Senior Financing Group (including any costs paid to or on behalf of the Issuer by a Senior Financing Group Company) (where payment of such costs was permitted or, in the case of the Issuer, contemplated under the Obligor Transaction Documents);

(e) minus any amount required to be retained by the Senior Financing Group to meet reasonably anticipated net operating expenses for the next Test Period plus any amount retained by the Senior Financing Group at the end of the last Test Period to meet reasonably anticipated net operating expenses for the Test Period;

(f) plus or minus the amount of any decrease or increase respectively in working capital;

(g) (i) unless (a) a Trigger Event has occurred and is continuing or (b) any Issuer/Borrower Loan remains outstanding after its Expected Maturity Date, minus the amount of any Permitted Acquisitions (including any Growth Capex in accordance with Paragraph 2 (Growth Capex) of Part 7 (Capex Expenditure) of Schedule 2 (Covenants) to the CTA, but excluding any Growth Capex or Permitted Acquisitions to the extent funded by Permitted Financial Indebtedness and any

Maintenance Capex that has already been deducted in the calculation of Net Cash Flow) and (ii) if (a) a Trigger Event has occurred and is continuing or (b) any Issuer/Borrower Loan remains outstanding after its Expected Maturity Date, minus the amount of any Permitted Acquisitions (including any Growth Capex in accordance with Paragraph 2 (Growth Capex) of Part 7 (Capex Expenditure) of Schedule 2 (Covenants) to the CTA, but excluding any Growth Capex or Permitted Acquisitions solely to the extent funded by Permitted Financial Indebtedness and any Maintenance Capex that has already been deducted in the calculation of Net Cash Flow) to the extent that such acquisitions are already contractually obliged to be made by reference to contractual commitments entered into prior to an Obligor becoming aware of the occurrence of the Trigger Event;

(h) minus the amount of any payment to and/or plus any payment received from a pension benefit scheme (without double counting any amounts included in Cashflow);

(i) minus Smart Metering bid costs incurred up to the licence award;

(j) minus payments that are made within paragraphs (a) to (d) of the definition of Restricted Payments;

(k) unless (i) an Obligor has become aware of a Trigger Event having occurred which is continuing or (ii) any Issuer/Borrower Loan remains outstanding after its Expected Maturity Date, minus interest payable in respect of the Subordinated Debt which shall be in an amount permitted to be paid by way of Restricted Payment under the Rating Downgrade Event covenant.

"**Exchange Agent**" means Deutsche Bank AG, London Branch, or any successor thereto, appointed to act as the exchange agent to the Issuer appointed pursuant to the Agency Agreement.

"**Exchange Rate**" means the strike rate specified in a confirmation evidencing the terms of a Currency Hedge or, failing that, the spot rate at which the relevant currency is converted to pounds sterling as quoted by the Agent Bank:

(a) for the purposes of Clause 12.7 (STID Voting Request) of the STID or Paragraph 2.3 (STID Notices) of Schedule 5 (Provisions for voting in respect of STID Notices) to the Note Trust Deed, on the date that the STID Voting Request is dated; and

(b) in any other case:

(i) on the date specified in the Issuer Transaction Document; or

(ii) on the date as of which the calculation of the Equivalent Amount of the Outstanding Principal Amount is required.

"**Excluded Hedge Counterparty Amounts**" means (i) any termination amount payable to a Hedge Counterparty under a Hedging Agreement following the occurrence of an "Event of Default" under and (as defined in the relevant Hedging Agreement) where that Hedge Counterparty is the "Defaulting Party" (as defined in the relevant Hedging Agreement) and (ii) any amount payable to a Borrower Hedge Counterparty under Part 1(g), Part 1(h), Part 1(i) or Part 1(j) of the Schedule to the relevant Borrower Hedging Agreement if at such time that Borrower Hedge Counterparty is a Defaulting Party (as defined in the relevant Borrower Hedging Agreement).

"**Excluded Report Recovery Proceeds**" means any proceeds of a Recovery Claim which are, or are to be, applied within 12 months of receipt:

(a) to satisfy (or reimburse a Senior Financing Group Company which has discharged) any liability, charge or claim upon a person which is not a member of the Senior Financing Group as a result of the events or circumstances giving rise to that Recovery Claim; and

(b) in the replacement, reinstatement and/or repair of assets of a Senior Financing Group Company which have been lost, destroyed or damaged as a result of the events or circumstances giving rise to that Recovery Claim.

"**Existing Bank Facilities**" means (a) £2,925,000,000 senior facilities agreement dated 3 April 2007 (as amended and restated on 31 July 2007) between, among others, Macquarie UK Broadcast Ventures Limited, Barclays Capital and others as mandated lead arrangers and Dresdner Bank AG, Niederlassung Luxembourg as facility agent and security agent, and (b) the £475,000,000 junior facility agreement dated 3 April 2007 (as amended and restated on 31 July 2007) between, among others, Macquarie UK Broadcast Enterprises Limited, Barclays Capital and others as mandated lead arrangers and Dresdner Bank AG, Niederlassung Luxembourg as facility agent and security agent.

"**Existing Hedging Agreements**" means each of the ISDA Master Agreements governing the Existing Hedges existing on the day immediately prior to the Signing Date including all Treasury Transactions forming part thereof and subject thereto.

"**Existing Hedges**" means the Existing Interest Rate Hedges and the Existing Inflation Linked Hedges.

"**Existing Inflation Linked Hedges**" means the Treasury Transactions hedging risks arising in connection with the utilisation of the Existing Bank Facilities, pursuant to which amounts payable by the Borrower are determined by reference to a rate of inflation and the amounts payable by the Existing Hedge Counterparty are determined by reference to a rate of interest.

"**Existing Interest Rate Hedges**" means the Treasury Transactions, hedging risks arising in connection with the utilisation of the Existing Bank Facilities, pursuant to which amounts payable by the Borrower are determined by reference to a fixed rate of interest and the amounts payable by the Existing Hedge Counterparty are determined by reference to a floating benchmark rate of interest.

"**Expected Maturity Date**" means the expected maturities as may be agreed between

(a) in respect of each Issuer/Borrower Loan, the Issuer and the Borrower (and reflected in the relevant Issuer/Borrower Loan Tranche Supplement); or

(b) in respect of the Notes, the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Currency, as specified in the applicable Final Terms,

and each subject to the Maturity Concentration Limit.

"**Extraordinary Voting Matter**" means a matter which:

(a) would change (i) any provision (including any definition) which would materially affect the voting mechanics in relation to the Extraordinary Voting Matters or (ii) any of the matters constituting Extraordinary Voting Matters;

(b) would materially change any Obligor Events of Default or any Trigger Events each in relation to non-payment, the making of Restricted Payments, financial ratios or credit rating downgrade;

(c) would relate to the waiver of an Obligor Event of Default in respect of any Obligor or a waiver of any Trigger Events in relation to non-payment, credit rating downgrade or financial ratios or the making of Restricted Payments;

(d) would materially change or have the effect of materially changing the definition of Permitted Business;

(e) would change or have the effect of changing the provisions or would relate to a waiver of the test for Permitted Financial Indebtedness set out in Paragraph 8.2 (Financial Indebtedness and Maturity

Concentration Limits) of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the Common Terms Agreement;

(f) would change in any adverse respect any mandatory prepayment provisions set out in any Common Document (including, without limitation, the amount to be prepaid or the time by which such amount is to be applied in prepayment); or

(g) would materially change any Material Borrower Covenant.

"**Final Maturity Date**" means in relation to:

(a) the Notes, the legal maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Currency, as specified in the applicable Final Terms and subject to the Maturity Concentration Limit covenant set out in the CTA;

(b) the Liquidity Facility, the first anniversary of the Closing Date (but on a renewable basis);

(c) the Issuer/Borrower Facilities, that date set out in the applicable Issuer/Borrower Loan Tranche Supplement;

(d) the Capex Facility and the Working Capital Facility, 5 years after the Closing Date;

(e) Facility A, the third anniversary of the Closing Date; and

(f) Facility B, the fifth anniversary of the Closing Date.

"**Final Terms**" means the final terms issued in relation to each Tranche of Notes as a supplement to the Conditions and giving details of the Tranche.

"**Finance Lease**" means any finance or capital lease (as determined by the Accounting Principles as at the Closing Date) entered into by a Senior Financing Group Company in respect of which a Senior Financing Group Company is the lessee.

"**Finance Lessor**" means a lessor of a Finance Lease.

"**Financial Covenant Ratios**" means the Historic Net Debt to EBITDA Ratio; the Historic Cashflow DSCR and the Historic Cashflow ICR as set out in Part 3 (Financial Covenants) of Schedule 2 (Covenants) to the CTA.

"**Financial Indebtedness**" means (without double counting) any indebtedness of any Senior Financing Group Company for or in respect of:

(a) moneys borrowed or raised (whether or not for cash) (calculated net of applicable credit balances where such monies are borrowed by a Senior Financing Group Company as part of netting arrangements with a financial institution);

(b) any amounts drawn under acceptance credit or bill discounting facility;

(c) any bond, note, debenture, loan stock or other similar instrument;

(d) any finance or capital lease which would, in accordance with the Accounting Principles as at the Closing Date, be treated as such;

(e) any share in a Senior Financing Group Company which is not held by another Senior Financing Group Company and which is capable of redemption prior to the final maturity date;

(f) the acquisition cost of any asset or service to the extent payable after its acquisition or possession by the party liable where one of the primary reasons for the deferred payment is arranged is as a

method of raising finance or financing the acquisition or construction of that asset or the supply of that service (but excluding trade credit on customary commercial terms) or if such amount is due more than six months after the date of acquisition or supply;

(g) receivables sold or discounted (other than on a non-recourse basis);

(h) any amount due, but unpaid, in respect of any Treasury Transaction, any Offsetting Hedge Annuity and any amount in respect of amounts that have accreted but not yet become due and payable (but excluding for the avoidance of doubt any mark-to-market value that has not yet become payable);

(i) any other transaction which has the commercial effect of a borrowing or otherwise is treated as such under the Accounting Principles;

(j) (without double counting) any counter indemnity obligation in respect of any guarantee, indemnity, bond, letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of any person which is of the nature referred to above; and

(k) any guarantee in respect of an underlying liability of any person which is of the nature referred to in the above paragraphs (but excluding any Permitted Guarantee),

provided that:

(i) any amount owed by one Senior Financing Group Company to another Senior Financing Group Company shall not be taken into account;

(ii) any amounts outstanding under any Subordinated Debt shall not be taken into account; and

(iii) any pension deficit shall not be taken into account.

"**FinCo**" means Arqiva Senior Finance Limited, (registered number 08127157) a private limited liability company incorporated under the laws of England and Wales.

"**Fitch**" means Fitch Ratings Ltd and any successor to its rating business.

"**Fitch Required Rating**" means a long-term unsecured and unsubordinated debt obligations rating of at least A- by Fitch, provided that if the relevant entity has a long-term unsecured and unsubordinated debt obligations rating of A- by Fitch such entity must not be on credit watch negative (or equivalent).

"**Further Authorised Facility Provider**" means any Authorised Facility Provider which accedes to the Common Terms Agreement and the STID following the Closing Date.

"**Further Enforcement Instruction Notice**" has the meaning given to it in Subclause 18.2(b) (Enforcement Instruction Notices) of the STID.

"**Group EBITDA**" means EBITDA before the subtraction of the consolidated earnings (before the deductions and the adjustments referred to in the definition of EBITDA) of the Senior Financing Group Companies that are incorporated outside of the United Kingdom.

"**Growth Capex**" means Capex incurred to deliver financial benefits through future revenues and which is supported by a business case, including (for the avoidance of doubt) the acquisition of spectrum.

"**Hedge Counterparties**" means (a) the Issuer Hedge Counterparties and (b) the Borrower Hedge Counterparties and "**Hedge Counterparty**" means any of such parties.

"**Hedged Debt Covenant**" means the covenant set out in Paragraph 4 of Schedule 5 (*Hedging Policy and Overriding Provisions Relating to Hedging Agreements*) to the CTA.

"**Hedges**" means the Existing Hedges together with the New Hedges.

"**Hedge with Break Clause**" has the meaning given to it in Paragraph 6 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Hedging**" means all of the Hedges.

"**Hedging Agreements**" means the Borrower Hedging Agreements and Issuer Hedging Agreements.

"**Hedging Policy**" means the Issuer/Borrower Hedging Policy.

"**Hedging Test Date**" means:

(a) 31 March, 30 June, 30 September and 31 December in each year; and

(b) the date of any significant event that may impact on the Hedged Debt Covenant, such as the issuance, prepayment or repayment of Senior Debt (excluding any Working Capital Facilities or Ancillary Facilities) and the entry into or termination of Hedges which shall, for the avoidance of doubt, include, a disposal being applied towards repayment of Senior Debt in accordance with Paragraph 5 (Mandatory Prepayment of FinCo/Borrower Loans and Issuer/Borrower Loans using Unused Proceeds) of Part 5 (Mandatory Prepayment and Voluntary Prepayment) of Schedule 2 (Covenants) to the CTA,

commencing with the earlier to occur of the Hedging Test Date occurring on 31 March 2013 and the first date of any significant event referred to in sub-paragraph (b) and continuing until the date that the aggregate outstanding principal amount of the Notes and the Borrower Loans (excluding the Issuer/Borrower Loans) has been repaid, provided that if such date is not a Business Day, the next following day that is a Business Day.

"**Hedging Transaction**" means each transaction under a Hedging Agreement.

"**Hedging (with Breaks) Condition**" means the conditions under which the Borrower and the Issuer may enter into Hedges with Break Clauses as set out in Paragraph 6 (Hedging (with Breaks) Condition) of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Historic Cashflow DSCR**" means the ratio of Cashflow to Debt Service as calculated in accordance with Paragraph 2 of Part 3 (Financial Covenants) of Schedule 2 (Covenants) to the CTA.

"**Historic Cashflow ICR**" means the ratio of Cashflow to Net Interest Payable as calculated in accordance with Paragraph 2 of Part 3 (Financial Covenants) of Schedule 2 (Covenants) to the CTA.

"**Historic Net Debt to EBITDA Ratio**" means the ratio of Net Debt to EBITDA (as calculated on a pro-forma basis to take into account the earnings from any acquired asset from the start of the Test Period and to exclude the earnings from any asset disposed of for the entire Test Period) as calculated in accordance with Paragraph 2 of Part 3 (Financial Covenants) of Schedule 2 (Covenants) to the CTA.

"**Historic Trigger Event Financial Covenant Ratios**" has the meaning given to it in Paragraph 1.1 of Part 1 (Trigger Events) of Schedule 3 (Trigger Events) to the CTA.

"**Holding Company**" of any person, means a person in respect of which that other person is a Subsidiary.

"**IFRS**" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"**Index Linked Notes**" means the Notes in respect of which payments (whether in respect of principal or interest and whether at maturity or otherwise) may be calculated by reference to one of the indices and/or formulae described in the Conditions and as specified in the applicable Final Terms.

"**Inflation Linked Hedges**" means any Treasury Transaction forming part of and subject to a Hedging Agreement pursuant to which amounts payable by one party are determined by reference to a rate of

inflation and amounts payable by the other party are determined by reference to a fixed or floating rate of interest.

"**Inflation Linked Hedging**" means all of the Inflation Linked Hedges.

"**Inflation Linked Hedging Agreement**" means any Hedging Agreement of the Borrower or the Issuer (as applicable) under which an Existing Hedge or a New Hedge which is an Inflation Linked Hedge is entered into.

"**Initial Borrower Cash Manager**" means Arqiva Limited appointed to act as the cash manager of the Borrower pursuant to the CTA.

"**Initial Capex and Working Capital Facilities Agreement**" means the facility agreement dated on or about the Signing Date between, *inter alia*s, the Borrower, the Initial CF&WCF Arrangers and the Obligor Security Trustee under which the Initial Capex Facility is made available to the Borrower.

"**Initial Capex Facility**" means the facility for the making of Initial Capex Loans in an aggregate amount of £400,000,000 made available to the Borrower by the Initial Capex Facility Providers under the Initial Capex and Working Capital Facilities Agreement.

"**Initial Capex Facility Providers**" means those financial institutions listed in Part 3 (Capex Facility Providers) of Schedule 13 (Financial Institutions) to the CTA.

"**Initial Capex Loans**" means the term loans to be made on the Closing Date in accordance with the terms of the Capex and Working Capital Facilities Agreement.

"**Initial CF&WCF Agent**" means Commerzbank AG, Luxembourg Branch, appointed to act as facility agent for the Initial Capex Facility Providers and the Initial Working Capital Facility Providers in accordance with the Initial Capex and Working Capital Facilities Agreement.

"**Initial CF&WCF Arrangers**" means those financial institutions listed in Part 5 (CF&WCF Arrangers) of Schedule 13 (Financial Institutions) to the CTA.

"**Initial Issuer/Borrower Facilities Fee**" means the amount paid on or about the Closing Date by the Borrower on the Issuer's behalf by way of an initial fee to meet the costs and expenses of the Issuer in connection with the establishment of the Programme and the issue of the first Series of Notes (including, *inter alia*, the fees and expenses of the Note Trustee, the Issuer Security Trustee and the Issuer's legal advisers, accountants and auditors).

"**Initial LF Agent**" means Commerzbank AG, Luxembourg Branch, acting as facility agent for any Initial Liquidity Facility Providers.

"**Initial Liquidity Facility**" means a debt service reserve liquidity facility provided to the Borrower and the Issuer for the purpose of making Drawings and having the characteristics contemplated in Schedule 10 (Borrower Liquidity) to the CTA.

"**Initial Liquidity Facility Agreement**" means the liquidity facility agreement dated on or about the Signing Date between AF No 1, the Issuer, the Initial Liquidity Facility Providers, the Obligor Security Trustee, the Issuer Security Trustee, the Borrower Cash Manager and the Issuer Cash Manager under which the Initial Liquidity Facility is entered into.

"**Initial Liquidity Facility Providers**" means those financial institutions listed in Part 1 (Liquidity Facility Providers) of Schedule 13 (Financial Institutions) to the CTA.

"**Initial Shareholders**" means any one or more of Codan Trust Company (Cayman) Limited, Frequency Infrastructure Communications Assets Limited, Macquarie Global Infrastructure Funds 2 S.A.R.L., Macquarie Prism Proprietary Limited, MEIF II Luxembourg Communications S.a.r.l., MTAA

Superannuation Fund (NTL Broadcast) Utilities Pty Ltd and The Trust Company Limited as custodian for Health Super Investments Pty Ltd (in its capacity as trustee of FSS Infrastructure Trust).

"**Initial Working Capital Facility**" means a facility under which Initial Working Capital Loans in an aggregate amount of £100,000,000 are made available to the Borrower under the Initial Capex and Working Capital Facilities Agreement.

"**Initial Working Capital Facility Providers**" means those financial institutions listed in Part 4 (Working Capital Facility Providers) of Schedule 13 (Financial Institutions) to the CTA.

"**Initial Working Capital Loans**" means each revolving loan provided to the Borrower pursuant to the Initial Working Capital Facility.

"**Interest Commencement Date**" means, in the case of interest-bearing Notes, the date specified in the applicable Final Terms from (and including) which such Notes bear interest, which may or may not be the Issue Date.

"**Interest Payment Dates**" means in respect of: (i) any Series of Notes, the Specified Interest Payment Date or the meaning given to it in the applicable Final Terms, as the case may be; (ii) the Issuer/Borrower Facilities Agreement, each Loan Interest Payment Date as defined therein; (iii) any other Issuer Transaction Document, the Interest Payment Dates for each Series of Notes; (iv) each Borrower Bank Facility, the interest payment dates set out in the applicable Borrower Bank Facility Agreement and (v) any other Authorised Facility Agreement, the interest payment dates specified therein.

"**Interest Rate Hedges**" means any Treasury Transaction, forming part of and subject to a Hedging Agreement, pursuant to which amounts payable by one party are determined by reference to a fixed rate of interest and amounts payable by the other party are determined by reference to a floating benchmark rate of interest (and which is not an Inflation Linked Hedge).

"**Interest Rate Hedging**" means all of the Interest Rate Hedges.

"**Intermediate HoldCo**" means Arqiva Broadcast Intermediate Limited (registered number 08085710), a subsidiary of AF No 2 incorporated under the laws of England and Wales on 28 May 2012.

"**Intermediate Parent**" means Arqiva Group Intermediate Limited (registered number 08126989), a company with limited liability incorporated under the laws of England and Wales.

"**ISDA Master Agreement**" means an ISDA 2002 Master Agreement as published by the International Swaps and Derivatives Association Inc. and including the Schedule thereto.

"**Issue Date**" means the date of issue of each Tranche of Notes under the Programme as specified in the relevant Final Terms applicable to such Tranche of Notes.

"**Issue Price**" means the price at which the Notes will be issued, which may be on a fully-paid or a partly-paid basis and at par or at a discount to par or at a premium over par, as specified in the applicable Final Terms.

"**Issuer**" means Arqiva Financing Plc (registered number 08336354), a public limited company incorporated under the laws of England and Wales.

"**Issuer Account Bank**" means National Westminster Bank plc, in its capacity as such under the Issuer Account Bank Agreement together with, any successor or replacement account bank appointed from time to time.

"**Issuer Account Bank Agreement**" means the agreement dated on or about the Signing Date between the Issuer, the Issuer Cash Manager, the Issuer Security Trustee and the Issuer Account Bank pursuant to which the Issuer Accounts are provided.

"**Issuer Accounts**" means:

(a) the Issuer Transaction Account; and

(b) any other bank account opened or maintained by the Issuer on or after the Signing Date including the Issuer Liquidity DSR Account (but excluding any Liquidity Standby Account opened in respect of a Downgraded Liquidity Facility Provider).

"**Issuer Cash Management Agreement**" means the cash management agreement dated on or about the Signing Date between, among others, the Issuer, the Issuer Cash Manager and the Issuer Security Trustee pursuant to which the Issuer Cash Manager will be appointed.

"**Issuer Cash Manager**" means Arqiva Limited appointed to act as the cash manager of the Issuer pursuant to the Issuer Cash Management Agreement or any successor or replacement cash manager appointed from time to time.

"**Issuer Charged Documents**" means the Issuer Transaction Documents and all other contracts, documents, agreements and deeds to which the Issuer is, or may become, a party (other than the Issuer Deed of Charge, the Note Trust Deed, the Programme Agreement, each Subscription Agreement and the Issuer Corporate Officer Agreement).

"**Issuer Corporate Officer Agreement**" means the corporate officer agreement dated on or about the Signing Date between the Issuer Corporate Officer Provider, the Issuer and the Issuer Security Trustee pursuant to which the Issuer Corporate Officer Provider will be appointed.

"**Issuer Corporate Officer Provider**" means Structured Finance Management Limited (registered number 03853947), appointed to act as corporate officer provider to the Issuer.

"**Issuer Deed of Charge**" means the deed of charge dated on or about the Signing Date between, *inter alios*, the Issuer, the Issuer Security Trustee and the Note Trustee pursuant to which the Issuer will grant the Issuer Security in favour of the Issuer Security Trustee.

"**Issuer Enforcement Notice**" means a notice given by the Issuer Security Trustee (as directed by the Note Trustee) to the Issuer in accordance with Condition 11 (Enforcement against Issuer).

"**Issuer Hedge Counterparties**" means each Issuer Secured Creditor that accedes to the CTA, the STID the Issuer Deed of Charge and the MDA in such capacity.

"**Issuer Hedges**" means those New Hedges which the Issuer enters into after the Closing Date (but excluding, for the avoidance of doubt, any Issuer/Borrower Hedges).

"**Issuer Hedging**" means all of the Issuer Hedges.

"**Issuer Hedging Agreements**" means each Pari Passu Issuer Hedging Agreement and each Super Senior Issuer Hedging Agreement.

"**Issuer Liquidity DSR Account**" means an account opened in the name of the Issuer and maintained by the Issuer Account Bank pursuant to the terms of the Issuer Account Bank Agreement and credited with a cash reserve for the purpose of satisfying the Debt Service Shortfall Test or such other account as may be opened, with the consent of the Issuer Security Trustee, at any branch of the Issuer Account Bank in replacement of such account.

"**Issuer Payment Priorities**" means the Issuer Pre-Enforcement Payment Priorities, the Issuer Post-Enforcement Pre-Acceleration Payment Priorities and the Issuer Post-Acceleration Payment Priorities.

"**Issuer Post-Acceleration Payment Priorities**" means the provisions relating to the order of priority of payments of funds standing to the credit of the relevant Issuer Accounts set out in Clause 9.2 of the Issuer Deed of Charge.

"**Issuer Post-Enforcement Pre-Acceleration Payment Priorities**" means the provisions relating to the order of priority of payments of all monies received or recovered by the Issuer Security Trustee (or any receiver appointed by it) in respect of the Issuer Security and (to the extent that they are available) all funds standing to the credit of the relevant Issuer Accounts as set out in Clause 8.2 of the Issuer Deed of Charge.

"**Issuer Pre-Enforcement Payment Priorities**" means the provisions relating to the order of priority of payments of monies credited to the Issuer Transaction Account (together with amounts available to the Issuer under the Liquidity Facility and the Issuer Hedges) as set out in Schedule 1 (Issuer Pre-Enforcement Payment Priorities) to the Issuer Cash Management Agreement.

"**Issuer Profit Amount**" means £5,000 per annum in equal instalments on each Interest Payment Date, to be retained by the Issuer as profit.

"**Issuer Qualifying Debt**" means for so long as any Notes remain outstanding, the sum of (i) the Principal Amount Outstanding of the Notes and (ii) the mark-to-market value of all transactions arising under Issuer Hedging Agreements in respect of the Notes to the extent that such value represents an amount which is or would be payable to the relevant Issuer Hedge Counterparties if an early termination date has been or was designated at such time in respect of such transactions in accordance with the relevant Issuer Hedging Agreement.

"**Issuer Qualifying Secured Creditors**" means, for so long as any Notes remain outstanding, the holders of each Tranche of Notes and each Issuer Hedge Counterparty.

"**Issuer Secured Creditor Entrenched Right**" means, in respect of an Issuer Secured Creditor, any modification, consent, direction or waiver in respect of an Issuer Transaction Document that would:

(a) result in an increase in or would adversely modify such Issuer Secured Creditor's obligations or liabilities under such Issuer Transaction Document;

(b) have the effect of adversely changing the Issuer Payment Priorities or application thereof in respect of such Issuer Secured Creditor where adversely means, in respect of any change to the Issuer Payment Priorities, a change which has the effect of changing the priority of the Issuer Secured Creditors relative to each other provided that the creation of payments which rank subordinate to an Issuer Secured Creditor shall not be an adverse change in respect of such Issuer Secured Creditor;

(c) release any Issuer Security (except where such release is expressly permitted by the Issuer Deed of Charge);

(d) alter adversely the voting entitlement of such Issuer Secured Creditor under the STID, the Note Trust Deed or the Conditions;

(e) in respect of an Issuer Hedge Counterparty, constitute an Entrenched Right pursuant to paragraph (p) of the definition of Entrenched Right;

(f) amend Clause 14.4 (Issuer Secured Creditor Entrenched Rights) of the Issuer Deed of Charge; or

(g) amend this definition.

"**Issuer Secured Creditors**" means the Noteholders, the Note Trustee, the Issuer Security Trustee, the Issuer Hedge Counterparties, the Liquidity Facility Providers (in their capacity as lenders to the Issuer), each LF Agent, the Principal Paying Agent, each Paying Agent, the Agent Bank, each Calculation Agent,

the Registrar, the Transfer Agent, the Exchange Agent, the Issuer Cash Manager, the Borrower, the Issuer Corporate Officer Provider and the Issuer Account Bank and any other Additional Issuer Secured Creditor.

"**Issuer Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Issuer to any Issuer Secured Creditor under each Issuer Transaction Document.

"**Issuer Security**" means the fixed and floating security over all of the Issuer's assets and undertakings (including over its rights under the Issuer Charged Documents) granted by the Issuer in favour of the Issuer Security Trustee pursuant to the Issuer Deed of Charge.

"**Issuer Security Trustee**" means Deutsche Trustee Company Limited, or any successor thereto, or any other or additional trustee and all other persons for the time being acting as security trustee for the Issuer Secured Creditors pursuant to the Issuer Deed of Charge.

"**Issuer Transaction Account**" means the transaction account which the Issuer is required to have open and to maintain with the Issuer Account Bank.

"**Issuer Transaction Documents**" means as follows:

(a) each Global Certificate and each Definitive Note;

(b) the Note Trust Deed;

(c) the Issuer Deed of Charge;

(d) the Issuer Cash Management Agreement;

(e) the Agency Agreement;

(f) each Calculation Agency Agreement;

(g) the Issuer Account Bank Agreement;

(h) the Liquidity Facility Agreement;

(i) the Issuer/Borrower Facilities Agreement;

(j) the Issuer Hedging Agreements;

(k) the Issuer/Borrower Hedging Agreements;

(l) the Issuer Corporate Officer Agreement;

(m) the Master Definitions Agreement;

(n) the Common Terms Agreement;

(o) the Security Trust and Intercreditor Deed;

(p) the Borrower Account Bank Agreement;

(q) each Final Terms; and

(r) any other agreement, instrument or deed designated by the Issuer and the Issuer Security Trustee as an Issuer Transaction Document.

"**Issuer/Borrower Facilities**" means the facilities pursuant to which the proceeds of Notes are on-lent by the Issuer to the Borrower.

"**Issuer/Borrower Facilities Agreement**" means the agreement, under which the Issuer/Borrower Facilities are provided, entered into on or about the Signing Date between, *inter alia*, the Borrower, the Issuer and the Issuer Security Trustee.

"**Issuer/Borrower Facilities Fee**" means the ongoing fee paid by the Borrower periodically in respect of each Interest Payment Date, each Issue Date (following the Closing Date), any date of repayment or prepayment of all or part of any Issuer/Borrower Loan or any other date notified by the Issuer to meet the costs and expenses of the Issuer in connection with the issue of Notes on such Issue Date (if applicable) and in respect of amounts owed to, *inter alios*, the Note Trustee, the Issuer Security Trustee (and any receiver appointed by the Issuer Security Trustee), the Principal Paying Agent, the Agent Bank, the Calculation Agent, the Registrar, the Exchange Agent, the Transfer Agent, the Issuer Cash Manager, the Issuer Account Bank, the Liquidity Facility Providers (in their capacity as lenders to the Issuer) and the Issuer's legal advisers, accountants and auditors (in each case to the extent not covered by the Initial Issuer/Borrower Facilities Fee) and to cover the Issuer Profit Amount (out of which the Issuer will pay its tax).

"**Issuer/Borrower Hedges**" means each Pari Passu Issuer/Borrower Hedge and each Super Senior Issuer/Borrower Hedge.

"**Issuer/Borrower Hedging Agreements**" means each Pari Passu Issuer/Borrower Hedging Agreement and each Super Senior Issuer/Borrower Hedging Agreement.

"**Issuer/Borrower Hedging Policy**" means the provisions set out in Schedule 5 to the CTA.

"**Issuer/Borrower Loans**" means the loans made under the Issuer/Borrower Facilities.

"**Issuer/Borrower Loan Tranche Supplement**" means a loan tranche supplement substantially in the form set out in Schedule 2 (Form of Issuer/Borrower Loan Tranche Supplement) to the Issuer/Borrower Facilities Agreement.

"**Issuer/Borrower Rate Hedge**" shall have the meaning given to such term in the Issuer/Borrower Hedging Policy.

"**Jersey Security**" means an acknowledgement between the Obligor Security Trustee (as Plaintiff) and Arqiva Limited (as Defendant) to be registered in the Public Registry of Jersey thereby creating a judicial hypothec to be secured over the property known as Fremont Point Transmitter Station.

"**Joint Venture**" means any arrangement or agreement for any joint venture, co-operation or partnership pursuant to, required for or conducive to the operation of the Permitted Business of the Senior Financing Group.

"**Junior FinCo**" means Arqiva Broadcast Finance plc (registered number 08336342), a sister company of AF No 2 incorporated in England and Wales with limited liability.

"**Junior FinCo Senior Amounts**" means an amount equal to the amount required by the Junior FinCo to pay amounts due and payable to any agents, trustees or other professional service providers that rank senior to payments of interest on the Junior Notes and any applicable facilities provided to the Junior Issuer (as applicable).

"**Junior Noteholders**" means the holders of the Junior Notes and their replacements or successors.

"**Junior Notes**" means the secured notes issued by Junior FinCo.

"**Junior Parent**" means Arqiva Broadcast Parent Limited (registered number 08085823), a holding company of AF No 2 incorporated in England and Wales with limited liability.

"**Lead Manager**" means, in relation to any Tranche of Notes, the person named as such in the applicable Subscription Agreement or, when only one Dealer signs such Subscription Agreement, such Dealer.

"**LF Agent**" means the Initial LF Agent and any other agent appointed after the Signing Date under the relevant Liquidity Facility Agreement.

"**LF Unpaid Sum**" means any amount due and payable by a Borrower and which it fails to pay under the Liquidity Facility Agreement on its due date.

"**Liquidity DSR Accounts**" means the Borrower Liquidity DSR Account and the Issuer Liquidity DSR Account.

"**Liquidity Facility**" means the Initial Liquidity Facility and any other liquidity facility made available to the Borrower and the Issuer after the Closing Date for the purpose of making Drawings.

"**Liquidity Facility Agreement**" means the Initial Liquidity Facility Agreement and any other facility agreement under which a liquidity facility is made available to the Borrower and the Issuer after the Signing Date.

"**Liquidity Facility Drawdown Date**" means the date of an advance of a Drawing.

"**Liquidity Facility Provider Requisite Rating**" means, in respect of a Liquidity Facility Provider, such Liquidity Facility Provider's long term unsecured debt obligations being rated by at least two of the following Rating Agencies (which while S&P is appointed by the Issuer, shall include the relevant S&P rating) at least at the following levels, in the case of S&P "BBB", in the case of Moody's "Baa2" and in the case of Fitch "BBB" or such lower rating as may be agreed between the Borrowers, the Obligor Security Trustee and the Rating Agencies provided that any such lower rating would not lead to any downgrade or the placing on "credit watch negative" (or equivalent) of the then current ratings of the Notes.

"**Liquidity Facility Providers**" means the Initial Liquidity Facility Providers and any other bank or financial institution which provides the Borrower and the Issuer with a liquidity facility and which accedes to the CTA and the STID and the Issuer Deed of Charge after the Closing Date.

"**Liquidity Loan Drawing**" means the principal amount of each drawing made under Clause 3.1(b)(i) (Grant of the Liquidity Facility) of the Liquidity Facility Agreement or the principal amount outstanding of that drawing (and for the avoidance of doubt, includes any Liquidity Standby Account Drawing made in accordance with Clause 5.3(c) but shall not include a Standby Drawing).

"**Liquidity Standby Accounts**" means the accounts to be opened, if required, in the joint names of the Borrower and the Issuer and held at the applicable Liquidity Facility Provider in respect of whom the Standby Drawing has been made or, if such Liquidity Facility Provider does not have the Liquidity Facility Provider Requisite Rating, at the Borrower Account Bank.

"**Liquidity Standby Account Drawing**" means, in relation to the participation in a Liquidity Loan Drawing by an Affected Liquidity Facility Provider, a withdrawal of sums standing to the credit of the Liquidity Standby Account which have been funded by way of Standby Drawing from that Affected Liquidity Facility Provider.

"**Local Business Days**" has the meaning given to it for the purposes of the relevant Hedging Agreement.

"**Lock-up Account**" means an account in the name of the Borrower (and any related custody account of such account opened to hold Authorised Investments) which shall be opened at the Borrower Account Bank as and when required and which shall be designated as the lock-up account by the Borrower and the Obligor Security Trustee.

"**Maintenance Capex**" means Capex that is incurred for cost-savings purposes or to deliver productivity enhancements or that is required to maintain or repair existing infrastructure by either extending the useful life of existing fixed assets or replacing worn out and obsolete fixed assets with new ones in order to support existing contracts, including (but not limited to) expenditure for mast-painting, replacing obsolete

transmission equipment or upgrading IT hardware and software to the current standards supported by manufacturers and providers.

"**Mark Statement**" means, in respect of any day, a written statement from a Super Senior Hedge Counterparty setting out the mark-to-market in respect of each Super Senior Hedge in place between such Super Senior Hedge Counterparty and the Borrower and/or Issuer (as applicable) (provided that such statement (i) may be subject to the Hedge Counterparty's standard terms of business and certain disclaimers, and (i) will be determined on a mid-market basis).

"**Master Definitions Agreement**" or "**MDA**" means the master definitions agreement entered into on the Signing Date between, *inter alios*, the Issuer and the Note Trustee.

"**Material Borrower Covenant**" means, among others, each of the following covenants:

(a) the Restricted Payments covenant (to the extent that a Restricted Payment is made in breach thereof or there is a breach of a Trigger Event Consequence, but not the occurrence of a Trigger Event) (pursuant to Paragraph 31 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(b) the mergers covenant (pursuant to Paragraph 9 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(c) the Rating Downgrade Event covenant (to the extent that a Restricted Payment is made in breach thereof, but not the occurrence of the Rating Downgrade Event) (pursuant to Paragraph 31 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(d) the Permitted Business covenant (pursuant to Paragraph 1 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(e) the Permitted Acquisitions covenant (pursuant to Paragraph 10 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(f) the Permitted Disposals covenant (pursuant to Paragraph 7 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(g) the additional Financial Indebtedness covenant (pursuant to Paragraph 8 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(h) the New Term Financial Indebtedness Ratings Requirement covenant (pursuant to Paragraph 8 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(i) the Maturity Concentration Limit covenant (pursuant to Paragraph 8 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(j) the Negative Pledge covenant (pursuant to Paragraph 5 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(k) the Hedging Policy covenant (pursuant to Paragraph 15.1 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA);

(l) the mandatory prepayment and voluntary prepayment covenants (pursuant to Part 5 (Mandatory Prepayment and Voluntary Prepayment) of Schedule 2 (Covenants) to the CTA); and

(m) the Principal Subsidiaries Test (pursuant to Paragraph 18 (Principal Subsidiaries Test) of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA).

"**Material Contracts**" means the contracts to be designated as such in a schedule to the CTA.

"**Maturity Concentration Limit**" has the meaning given to it in Paragraph 8.2 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA.

"**Minimum Maintenance Capex Reserve Account**" means the minimum capex reserve account which the Borrower is obliged to open and maintain with the Borrower Account Bank.

"**Minimum Maintenance Capex Spend Amount**" means £15 million (RPI indexed) per financial year.

"**Minimum Rating Agency Requirements**" means the S&P Required Rating and the Fitch Required Rating or the required rating of such other Rating Agency then appointed by the Issuer.

"**Moody's**" means Moody's Investors Service Limited and any successor to its rating business.

"**Negative Pledge**" means the negative pledge covenant set out in Paragraph 5 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA.

"**Net Cash Flow**" means, for any Test Date, EBITDA for such Test Date (and without double counting):

(a) less the greater of Maintenance Capex during the Test Period ending on (and including) such Test Date and the Minimum Maintenance Capex Spend Amount for the Test Period ending on (and including) such Test Date (which shall be the same as the Minimum Maintenance Capex Spend Amount for each financial year);

(b) less all amounts of corporation tax paid net of any tax rebate or refund for corporation tax during the Test Period ending on (and including) such Test Date; and

(c) less all amounts of Issuer Profit Amount payable during the Test Period ending on (and including) such Test Date.

"**Net Debt**" means, for any Test Date, the aggregate Outstanding Principal Amount of Senior Debt (excluding amounts under any Hedging Agreements except to the extent as provided in paragraphs (a) to (c) below) as at the Test Date (and without double counting):

(a) plus (for the avoidance of doubt) any accretion by indexation to the notional amount under any Hedging Agreements and the accretion portion of any other Senior Debt;

(b) plus in respect of any Hedging Agreement, the amount (if any) that is payable to the relevant Hedge Counterparty if an Early Termination Date (as defined in the Hedging Agreement) has been designated on or prior to such Test Date in respect of the transaction or transactions arising under the Hedging Agreement and is outstanding on such Test Date;

(c) in respect of two Hedging Transactions, that are subject to and part of the same Hedging Agreement, one of which is an Offsetting Hedge in respect of the other or a portion thereof, the net amount which would be payable (if any) by the Borrower to the Hedge Counterparty if an "Early Termination Date" (as defined in the Hedging Agreement) were to occur on such date with respect to both such Hedging Transactions and with the Borrower as sole "Affected party";

(d) less the aggregate amount of any Senior Debt purchased and held by any Senior Financing Group Company;

(e) less Cash and Cash Equivalents held by any Senior Financing Group Company.

"**Net Interest Payable**" means, for any Test Date, the interest, fees (including commitment fees (but excluding, for the avoidance of doubt, any Issuer/Borrower Facilities Fees)), charges, commissions or equivalent finance charges that are paid or payable (excluding, for the avoidance of doubt, non-cash charges and imputed interest) or accrued as an obligation of any Senior Financing Group Company in respect of the Senior Debt during the Test Period ending on (and including) such Test Date and all Finance

Lease payments in respect of interest payable and equivalent financial charges during the Test Period ending on (and including) such Test Date, but (without double counting):

(a) excluding any upfront or amortised fees or costs;

(b) excluding the fees and expenses of the Administrative Parties;

(c) excluding any break costs;

(d) excluding the mark-to-market under any Treasury Transactions;

(e) excluding any interest or equivalent finance charge accrued in respect of Financial Indebtedness between Senior Financing Group Companies;

(f) excluding any interest or equivalent finance charge on deferred income or on unwinding a discounted liability;

(g) deducting any interest or equivalent finance charge receivable by any Senior Financing Group Company (after deducting applicable withholding tax) in respect of Cash or Cash Equivalents held by such Senior Financing Group Company;

(h) before taking into account fair value gains or losses on any financial instrument other than any derivative instrument which is accounted for on a hedge accounting basis and only to the extent gains and losses in the hedged item are also included in EBITDA;

(i) excluding any interest or equivalent finance charge which is capitalised, rolled up or deferred during such Test Period; and

(j) excluding any fees, costs and expenses incurred in respect of the implementation of the refinancing of the Existing Bank Facilities and the Existing Hedges,

and taking into account any net payment or net receipt which is payable or receivable under any Hedging Agreements (including, for the avoidance of doubt, any net payment and net receipt under any Inflation Linked Hedging Agreements (but excluding, for the avoidance of doubt, any accretions paid, payable or accruing under any Inflation Linked Hedging Agreements and any mark-to-market termination payments under any Hedging Agreements).

"**New Hedges**" means both the New Pari Passu Hedges and the New Super Senior Hedges.

"**New Pari Passu Hedges**" means any Treasury Transaction that forms part of and is subject to a Pari Passu Hedging Agreement and that is entered into on or after the Closing Date each ranking pari passu with the Notes and Borrower Facilities (other than the Liquidity Facility, which will rank senior thereto).

"**New Super Senior Hedges**" means:

(a) all Restructured Inflation Linked Hedges that are retained by the Borrower and amended on the Closing Date in accordance with the Hedging Policy; and

(b) any Treasury Transaction that forms part of and is subject to a Super Senior Hedging Agreement and that is entered into on or after the Closing Date,

each ranking super senior to the Notes and Borrower Facilities (other than the Liquidity Facility, which will rank senior thereto).

"**New Term Financial Indebtedness**" has the meaning given to such term in Paragraph 8.3 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA.

"**New Term Financial Indebtedness Ratings Requirement**" has the meaning given to such term in Paragraph 8.3 of Part 2 (Operating Covenants of the Obligors) of Schedule 2 (Covenants) to the CTA.

"**Non-Defaulting Party**" shall have the meaning given to such term in the ISDA Master Agreement.

"**Non-Senior Financing Group Companies**" means the Senior Group Holding Companies and any other subsidiaries of AGL (excluding any Senior Financing Group Companies, FinCo and the Issuer).

"**Northern Irish Security Agreement**" means the Northern Irish security agreement executed in favour of the Obligor Security Trustee on or about the Closing Date by Arqiva Services Limited.

"**Note Trust Deed**" means the note trust deed constituting the Notes dated on or about the Signing Date between, the Issuer and the Note Trustee in connection with the Programme and any deed supplemental thereto.

"**Note Trustee**" means Deutsche Trustee Company Limited, or any other or additional trustee and all other persons for the time being appointed pursuant to the Note Trust Deed to act for and on behalf of the Noteholders.

"**Noteholders**" means the holders from time to time of the Notes and the expressions Noteholder and holder of Notes and related expressions shall be construed accordingly.

"**Note**" means each note which is or is to be constituted under the Note Trust Deed.

"**Obligor Acceleration Notice**" means a notice given by the Obligor Security Trustee pursuant to the STID by which the Obligor Security Trustee declares that all Obligor Secured Liabilities shall be accelerated.

"**Obligor Enforcement Notice**" means a notice delivered to the Borrower in accordance with Clause 18.5 to the STID.

"**Obligor Event of Default**" means each of the events set out in Schedule 4 (Obligor Events of Default) to the CTA.

"**Obligors**" means the Parent, the Intermediate Parent, the Borrower, Operating HoldCo and each Principal Subsidiary.

"**Obligor Secured Creditors**" means the Obligor Security Trustee, the Issuer, the Capex Facility Providers, the Working Capital Facility Providers, the Liquidity Facility Providers (in their capacity as lenders to the Borrower), the BBF Agents, the Borrower Hedge Counterparties, the Borrower Account Bank and any Further Authorised Facility Provider which accedes to the STID as an Obligor Secured Creditor.

"**Obligor Secured Liabilities**" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor to any Obligor Secured Creditor under each Obligor Transaction Document to which such Obligor is a party.

"**Obligor Security**" means, pursuant to the Security Documents, (a) the guarantee given by each Obligor of the obligations of each other Obligor under the Obligor Transaction Documents; and (b) the first ranking fixed and floating security over all (or substantially all) of the assets and undertakings of each Obligor (including, in the case of the Intermediate Parent, over its shares in the Borrower, FinCo and the Issuer and, in the case of the Parent, over its shares in the Intermediate Parent) granted in favour of the Obligor Security Trustee in support of each Obligor's financial obligations under the Obligor Transaction Documents.

"**Obligor Security Trustee**" means Deutsche Trustee Company Limited, or any successor thereto, or any other or additional trustee and all other persons for the time being appointed to act as security trustee for the Obligor Secured Creditors pursuant to the STID.

"**Obligor Transaction Documents**" means the Transaction Documents to which an Obligor is a party, as follows:

(a) the Common Terms Agreement;

(b) the Security Documents;

(c) the Master Definitions Agreement;

(d) the Capex and Working Capital Facilities Agreement;

(e) the Liquidity Facility Agreement;

(f) the Borrower Account Bank Agreement;

(g) the Issuer/Borrower Facilities Agreement;

(h) each Borrower Hedging Agreement;

(i) each Issuer/Borrower Hedging Agreement;

(j) any fee letter, commitment letter or utilisation request entered into in connection with the facilities referred to in paragraphs (d) and (e) above or (k) below or the transactions contemplated in such facilities and any other document that has been entered into in connection with such facilities or the transactions contemplated thereby that has been designated as an Obligor Transaction Document by the parties thereto (including at least one Obligor);

(k) any other agreements documenting Ancillary Facilities, Permitted Facilities or Authorised Facilities and any transfer certificates or other documents entered into in connection with such facilities or the transactions contemplated thereby that has been designated as an Obligor Transaction Document by the parties thereto (including at least one Obligor);

(l) the CP Agreement;

(m) the Tax Deed of Covenant; and

(n) any other agreement, instrument or deed designated by the Obligor Security Trustee and at least one Obligor as an Obligor Transaction Document.

"**Offsetting Hedge Annuity**" means in respect of two Hedges, one of which is a Primary Hedge and the other an Offsetting Hedge in respect of such Primary Hedge, the greater of (i) the net amount that would be payable to the Hedge Counterparty (if any) if an "Early Termination Date" (as defined in the ISDA Master Agreement) were to occur on such date with respect to both such Hedges as "Affected Transactions" and the Hedge Counterparty as the "Non-Defaulting Party" or sole "Non-Affected Party"; and (ii) zero.

"**Offsetting Hedge**" means, with respect to one Hedge (the "**Primary Hedge**"), another Hedge which forms part of and is subject to the same Hedging Agreement as the Primary Hedge, and:

(a) the amounts due by one party (for the purposes of this definition only, "X") under the Offsetting Hedge are determined by reference to the same rate, measure or price as, and are offset in whole or in part by, the amounts payable by the other party (for the purposes of this definition only, "Y") under the Primary Hedge; and

(b) the amounts due by Y under the Offsetting Hedge are determined by reference to the same rate, measure or price as, and are offset in whole or in part by, the amounts payable by X under the Primary Hedge,

(where, for the avoidance of doubt, any partial offset results solely from a difference between the Primary Hedge and the Offsetting Hedge in terms of quantum of the notional amount/currency amount (as applicable) and/or quantum of the rate, measure or price specified).

"**Operating HoldCo**" means, a company with limited liability incorporated under the laws of England and Wales which will be established as a wholly owned subsidiary of AF No 1 on or about the Closing Date and whose name is expected to be "Arqiva Group Holdings Limited".

"**Ordinary Voting Matters**" are matters which are not Discretion Matters or Extraordinary Voting Matters.

"**Outstanding Principal Amount**" means:

(a) in respect of any Authorised Facilities that are loans (other than Issuer/Borrower Loans), the principal amount (or the Equivalent Amount) of any commitment under such Authorised Facility if not fully drawn and otherwise, or following an Obligor Event of Default, the drawn amounts outstanding;

(b) in respect of the Issuer/Borrower Loans, the principal amount (or the Equivalent Amount) outstanding thereunder (plus any accretion by indexation to such principal amount outstanding in respect of any Issuer/Borrower Loan which corresponds to a Series of Inflation Linked Notes);

(c) in respect of a Pari Passu Borrower Hedging Agreement, the aggregate of:

(i) in relation to each Hedge (forming part thereof and subject thereto) in respect of which an Early Termination Date has been designated (and such designation was a Permitted Hedge Termination), the sum of the Close-Out Amount arising as a consequence from such designation and any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed to the applicable Pari Passu Borrower Hedge Counterparty minus any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed by such Pari Passu Borrower Hedge Counterparty in respect of such Hedge, as calculated and determined in accordance with the terms of such Hedging Agreement; and

(ii) in relation to each Hedge (forming part thereof and subject thereto) in respect of which no Early Termination Date has been designated, the sum of the Close-Out Amount that would arise if an Early Termination Date had been designated in respect of such Hedge (and on which the relevant Hedge Counterparty were the Non-Defaulting Party) and any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed to the applicable Pari Passu Borrower Hedge Counterparty minus any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed by such Pari Passu Borrower Hedge Counterparty in respect of such Hedge (the "**Pari Passu Borrower MTM Amount**"),

***provided that*** if the aggregate of (i) and (ii) were an amount payable by the Hedge Counterparty, the Outstanding Principal Amount of the Hedging Agreement shall be equal to zero;

(d) in respect of a Pari Passu Issuer Hedging Agreement, the aggregate of:

(i) in relation to each Hedge (forming part thereof and subject thereto) in respect of which an Early Termination Date has been designated (and such designation was a Permitted Hedge Termination), the sum of the Close-Out Amount arising as a consequence from such designation and any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed to the applicable Pari Passu Issuer Hedge Counterparty minus any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed by such Pari Passu Issuer Hedge Counterparty in respect of such Hedge, as calculated and determined in accordance with the terms of such Hedging Agreement; and

(ii) in relation to each Hedge (forming part thereof and subject thereto) in respect of which no Early Termination Date has been designated, the sum of the Close-Out Amount that would arise if an Early Termination Date had been designated in respect of such Hedge (and on which the relevant Hedge Counterparty were the Non-Defaulting Party) and any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed to the applicable Pari Passu Issuer Hedge Counterparty minus any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed by such Pari Passu Issuer Hedge Counterparty in respect of such Hedge (the "**Pari Passu Issuer MTM Amount**"),

***provided that,*** if the aggregate of (i) and (ii) were an amount payable by the Hedge Counterparty, the Outstanding Principal Amount of the Hedging Agreement shall be equal to zero;

(e) in respect of a Pari Passu Issuer/Borrower Hedging Agreement, the aggregate of:

(i) in relation to each Hedge (forming part thereof and subject thereto) in respect of which an Early Termination Date has been designated, the sum of the Close-Out Amount arising as a consequence from such designation and any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed to the Issuer minus any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed by the Issuer in respect of such Hedge, as calculated and determined in accordance with the terms of such Hedging Agreement; and

(ii) in relation to each Hedge (forming part thereof and subject thereto) in respect of which no Early Termination Date has been designated, the sum of the Close-Out Amount that would arise if an Early Termination Date had been designated in respect of such Hedge (and on which the Issuer were the Non-Defaulting Party) and any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed to the Issuer minus any Unpaid Amounts (as defined in the relevant Hedging Agreement) owed by the Issuer in respect of such Hedge,

***provided that***:

(iii) if the aggregate of (i) and (ii) were an amount payable by the Issuer, the Outstanding Principal Amount of the Pari Passu Issuer/Borrower Hedging Agreement shall be equal to zero;

(iv) for the purposes of clause 11.1 (*Tranching of Issuer's Vote*) of the STID, the Outstanding Principal Amount of the Pari Passu Issuer/Borrower Hedging Agreement shall, at any time, be deemed to be at least equal to the sum of the Outstanding Principal Amounts of all Pari Passu Issuer Hedging Agreements at such time.

(f) in respect of any other Obligor Secured Liabilities, the outstanding principal amount (or the Equivalent Amount) of such debt on such date in accordance with the relevant Obligor Transaction Document,

on the date on which the Qualifying Secured Creditors have been notified of a STID Voting Request, an Enforcement Instruction Notice or Further Enforcement Instruction Notice or on such other date that the same falls to be determined, as the case may be, all as most recently certified or notified to the Obligor Security Trustee, where applicable, pursuant to the STID.

"**Overlaid Hedge**" shall have the meaning given to such term in the definition "Overlay Hedge".

"**Overlay Hedge**" means, with respect to one Hedge (the "**Overlaid Hedge**"), another Hedge which forms part of and is subject to the same Hedging Agreement as the Overlaid Hedge, and:

(a) the amounts due by one party (for the purposes of this definition only, "X") under the Overlay Hedge are determined by reference to the same rate, measure or price as, and are offset in whole or in part by, the amounts payable by the other party (for the purposes of this definition only, "Y") under the Overlaid Hedge; and

(b) the amounts due by Y under the Overlay Hedge are determined by reference to an entirely different rate, measure or price as, and are offset in whole or in part by, the amounts payable by X under the Overlaid Hedge,

(where, for the avoidance of doubt, any partial offset results solely from a difference between the Primary Hedge and the Offsetting Hedge in terms of quantum of the notional amount/currency amount (as applicable) and/or quantum of the rate, measure or price specified).

"**Parent**" means Arqiva Group Parent Limited (registered number 08085794), a company with limited liability incorporated under the laws of England and Wales and a newly incorporated holding company of the Intermediate Parent.

"**Pari Passu Borrower Hedge Counterparty**" means a Borrower Hedge Counterparty that is party to a Pari Passu Borrower Hedging Agreement.

"**Pari Passu Borrower Hedges**" means each Borrower Hedge that forms part of and is subject to a Pari Passu Borrower Hedging Agreement as further described in Paragraph 5 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Pari Passu Borrower Hedging Agreement**" means each Agreed Form Borrower Master Agreement, including all Treasury Transactions forming part thereof and subject thereto, between the Borrower and a Borrower Hedge Counterparty, that is designated as a "Pari Passu Borrower Hedging Agreement" in the schedule to that Agreed Form Borrower Master Agreement as further described in Paragraph 5 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Pari Passu Hedge Counterparty**" means a Hedge Counterparty that is party to a Pari Passu Borrower Hedging Agreement or a Pari Passu Issuer Hedging Agreement.

"**Pari Passu Hedges**" means the Pari Passu Borrower Hedges, the Pari Passu Issuer Hedges and the Pari Passu Issuer/Borrower Hedges.

"**Pari Passu Hedging Agreement**" means each Pari Passu Borrower Hedging Agreement, Pari Passu Issuer Hedging Agreement and Pari Passu Issuer/Borrower Hedging Agreement (as applicable).

"**Pari Passu Hedging Transaction**" means a transaction pursuant to which the Issuer and/or the Borrower enter into Pari Passu Hedges pursuant to a Pari Passu Hedging Agreement.

"**Pari Passu Issuer Hedge Counterparty**" means an Issuer Hedge Counterparty that is party to a Pari Passu Issuer Hedging Agreement.

"**Pari Passu Issuer Hedges**" means each Issuer Hedge that forms part of and is subject to a Pari Passu Issuer Hedging Agreement, as further described in Paragraph 5 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Pari Passu Issuer Hedging Agreement**" means each ISDA Master Agreement, including all Treasury Transactions forming part thereof and subject thereto, between the Issuer and an Issuer Hedge Counterparty, that is designated a "Pari Passu Issuer Hedging Agreement" in the schedule to such ISDA Master Agreement as further described in Paragraph 5 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Pari Passu Issuer/Borrower Hedges**" means each Treasury Transaction forming part of and subject to a Pari Passu Issuer/Borrower Hedging Agreement.

"**Pari Passu Issuer/Borrower Hedging Agreement**" means each ISDA Master Agreement, including all Treasury Transactions forming part thereof and subject thereto, between the Issuer and the Borrower designated a "Pari Passu Issuer/Borrower Hedging Agreement" in the schedule to such ISDA Master Agreement.

"**Participating Junior Creditor**" means the applicable providers of facilities to the Junior Issuer and the Junior Noteholders (or any one of them).

"**Participating Member State**" means a member state of the European Union that adopts or has adopted the euro as its lawful currency under the legislation of the European Union for European Monetary Union.

"**Participating Secured Creditors**" means the Qualifying Secured Creditors which actually participate in a vote on any STID Proposal or other matter pursuant to the STID.

"**Paying Agents**" means the Principal Paying Agent, Deutsche Bank Trust Company Americas as a paying agent to the Issuer and any further paying agents appointed to the Issuer pursuant to the Agency Agreement.

"**Payment Amount**" means such amount as results from multiplying the amount of tax losses surrendered by the full percentage rate of UK corporation tax in force for the accounting period in respect of which the surrender is made, **provided that** where there is more than one rate of corporation tax in force for an accounting period, the Payment Amount shall be calculated by reference to a weighted average of the corporation tax rates in force in such period calculated on a time basis.

"**Payment Date**" means each date on which a payment is made or is scheduled to be made by an Obligor in respect of any obligations or liability under any Authorised Facility except that Payment Date, wherever used in relation to (i) the Liquidity Facility Agreement, means each date on which a payment is made or scheduled to be made solely by AF No 1 under any Authorised Facility and (ii) the Common Terms Agreement, means 30 June and 31 December in each year, or in each case, if such date is not a Business Day, the preceding Business Day.

"**Permitted Acquisitions**" are the following acquisitions:

(a) an acquisition of property or assets or a contract to supply goods and/or services by or the grant of a lease or licence to the relevant Obligor for use in or to form part of or for the purposes of a Permitted Business, but excluding any interest in any partnership or joint venture other than a Permitted Joint Venture and any shares in any company other than pursuant to paragraph (e) below, in each case made in the ordinary course of business and on arm's length terms and for bona fide commercial purposes of the Permitted Business;

(b) an acquisition or holding of Authorised Investments made on arm's length terms;

(c) an acquisition on arm's length terms of assets required to replace surplus, obsolete, redundant, worn-out, damaged or destroyed assets which, in the reasonable opinion of the relevant Obligor, are required for the operation of its Permitted Business;

(d) the establishment or acquisition of or subscription for shares or ownership interests in or securities of any company or other person, including any interest in any partnership or joint venture, made on arm's length terms in furtherance of the relevant Obligor's statutory and regulatory obligations;

(e) an acquisition on arm's length terms of all of the issued shares in any company, provided that such company carries on a Permitted Business and (if required) accedes to the Common Documents as an Obligor;

(f) an acquisition on arm's length terms of a Permitted Joint Venture;

(g) any acquisition pursuant to a Permitted Tax Transaction;

(h) any acquisition of assets as part of Capex, including Maintenance Capex and, in the case of Growth Capex, provided in accordance with the Growth Capex covenant set out in Paragraph 2 of Part 7 (Capex Expenditure) of Schedule 2 (Covenants) to the CTA);

(i) any acquisition of assets that is an operating expense of the relevant Obligor;

(j) any licence renewal or purchase on arm's length terms as part of a Permitted Business;

(k) for so long as a Trigger Event is not continuing (unless the relevant acquisition has been contractually committed to prior to the occurrence of the Trigger Event), any acquisition on arm's length terms in the ordinary course of trading where the consideration payable (when taken together with the consideration paid for any other acquisitions pursuant to this paragraph (k)) does not exceed £20 million (RPI indexed) in any financial year;

(l) the establishment or acquisition of or subscription for shares or ownership interests in any company as part of a corporate reorganisation of the Senior Financing Group (including the insertion of any new holding companies or any tax restructurings), provided that the Principal Subsidiaries Test will be met on the next Test Date and equivalent security is provided over such companies after such reorganisation as is provided by the Obligors before such reorganisation;

(m) any acquisition of property or assets or a contract to supply goods and/or services from or grant of a lease or licence by another Senior Financing Group Company (including as part of a corporate reorganisation of the Senior Financing Group pursuant to paragraph (l) above) provided that equivalent security is provided over such property, assets, contracts, leases or licences as is provided before such acquisition of property or assets or contract or grant of such lease or licence (if any);

(n) any capitalisation by way of the issue of shares of any Permitted Senior Financing Group Loans;

(o) the exercise by Now Digital Limited of its option to acquire additional shares in Now Digital (East Midlands) Limited;

(p) any acquisition made in accordance with a Remedial Plan; or

(q) any acquisition made with the consent of the Obligor Security Trustee,

provided that in respect of Paragraphs (a) and (e) above only,

(i) other than in respect of any such acquisition funded from Additional Equity or Subordinated Debt, the Historic Trigger Event Financial Covenant Ratios were not breached for the Test Period ending on (and including) the immediately preceding Test Date;

(ii) other than in respect of any such acquisition funded from Additional Equity or Subordinated Debt, no other Trigger Event has occurred and is continuing unless such acquisition has been contractually committed to prior to the occurrence of the Trigger Event;

(iii) the relevant Obligor or the Borrower on its behalf has certified to the Obligor Security Trustee that such acquisition will not cause any of the Projected Trigger Event Financial Covenant Ratios to be breached for a period of 36 months commencing on (but excluding) such Test Date (calculated on a pro forma basis to take into account (without double counting) (A) the earnings from (i) the asset which is the subject of the Permitted Acquisition (ii) any asset acquired on or following such Test Date to the date of the pro forma calculation and (iii) any asset for which as at the date of the pro forma calculation a member of the Senior Financing Group is subject to a binding obligation to acquire on or following the pro forma calculation date to the end of such period, in each case from the start of the Test Period or (without double counting) to exclude the earnings from (i) any asset disposed of since such Test Date to the date of the pro forma calculation and (ii) any asset for which as the date of the pro forma calculation a member of the Senior Financing Group is subject to a binding obligation to dispose of on or following the pro forma calculation date to the end of such period of, in each case for the entire Test Period and (B) for the avoidance of doubt, Senior Debt incurred or projected to be incurred in connection with any acquisition referred to in (A) above; and

(iv) the sum of the last reported annual EBITDA for all acquisitions (other than pursuant to a Permitted Joint Venture) made in the most recent 3 financial years does not exceed 5% of the aggregate EBITDA for the most recent 3 financial years.

"**Permitted Business**" means owning and/or developing and/or operating broadcasting, media distribution and communications infrastructure, networks and spectrum and any business complimentary thereto in each case.

"**Permitted Disposals**" means any sale, lease, licence, transfer or other disposal which:

(a) is made in connection with an arm's length transaction entered into for bona fide commercial purposes of the Permitted Business;

(b) is a lease or licence in the ordinary course of business;

(c) is of assets in exchange for other assets comparable or superior as to type, value and quality;

(d) is of equipment pursuant to or to be leased under a Finance Lease permitted by the Obligor Transaction Documents;

(e) arises as a result of any Permitted Security Interest;

(f) is a disposal of any surplus, obsolete, redundant, worn out, damaged or destroyed assets;

(g) is a disposal which is a Permitted Tax Transaction;

(h) is of Authorised Investments:

(i) for cash in the ordinary course of trading; or

(ii) in exchange for other Authorised Investments;

(i) is of trading stock or Cash in the ordinary course of trading;

(j) is a Restricted Payment permitted by the Obligor Transaction Documents;

(k) is a disposal of assets to a partnership or joint venture made on arm's lengths terms in furtherance of the relevant Obligor's statutory and regulatory obligations or any other disposal, divestment step or course of conduct or obligation required by any regulatory, merger control or competition authority;

(l) is a disposal of equipment upon the termination of any contract entered into by the relevant Obligor in the ordinary course of business and, in each case, in connection with an arm's length transaction entered into for bona fide commercial purposes of the Permitted Business;

(m) is in the ordinary course of trading where the consideration received (when taken together with the consideration received for any other disposals pursuant to this Paragraph (m)) does not exceed £20 million (RPI indexed) in any financial year;

(n) constitutes the winding-up or transfer of or reduction in the capital of any company as part of a solvent liquidation or corporate reorganisation of the Senior Financing Group (including the removal of any holding companies or any tax restructurings), provided that payments or assets distributed as a result thereof are distributed to another Senior Financing Group Company and following such winding-up, transfer or reduction in capital equivalent security is provided as is provided by the Obligors before such winding-up, transfer or reduction in capital (if any);

(o) constitutes any sale, lease, licence, transfer or other disposal to another Senior Financing Group Company (including as part of a corporate reorganisation of the Senior Financing Group pursuant to paragraph (n) above), provided that equivalent security is provided over such property, assets, contracts, leases or licences as is provided by the Obligors before such disposal (if any); or

(p) is a disposal made with the prior written consent of the Obligor Security Trustee,

provided that in the case of paragraph (a) above only (but subject to the ability to make a Disposal Cure pursuant to paragraph 6 (Permitted Disposal) of Part 2 (Trigger Event Consequences) of Schedule 3 (Trigger Events) of the CTA), except to the extent such sale, lease, licence, transfer or other disposal is made in accordance with the Disposal Cure covenant:

(i) the Historic Trigger Event Financial Covenant Ratios were not breached as at the immediately preceding Test Date for the Test Period ending on (and including) such Test Date and the relevant Obligor or the Borrower on its behalf has certified to the Obligor Security Trustee that such disposal will not cause any of the Projected Trigger Event Financial Covenant Ratios to be breached for a period of 36 months commencing on (but excluding) such Test Date (calculated on a pro forma basis to take into account (without double counting) (A) the earnings from (i) any asset acquired on or following such Test Date to the date of the pro forma calculation and (ii) any asset for which at the date of the pro forma calculation a member of the Senior Financing Group is subject to a binding obligation to acquire on or following the pro forma calculation date to the end of such period, in each case from the start of the Test Period or (without double counting) to exclude the earnings from (i) the asset which is the subject of the Permitted Disposal, (ii) any asset disposed of since such Test Date to the date of the pro forma calculation and (iii) any asset for which as the date of the pro-forma calculation a member of the Senior Financing Group is subject to a binding obligation to dispose of on or following the pro-forma calculation date to the end of such period, in each case for the entire Test Period and (B) for the avoidance of doubt, Senior Debt incurred or projected to be incurred in connection with any acquisition referred to in (A) above);

(ii) no other Trigger Event has occurred and is continuing unless such disposal has been contractually committed to prior to the occurrence of the Trigger Event; and

(iii) the sum of the last reported EBITDA for all disposals made in the most recent 3 financial years does not exceed 5% of the aggregate EBITDA for the most recent 3 financial years.

"**Permitted Facility**" means a facility made available to the Borrower by a Permitted Facility Provider on a bilateral basis and on normal commercial terms in addition to a Borrower Bank Facility Provider's participation in the Borrower Bank Facilities and which, when aggregated with all other facilities made available by a Permitted Facility Provider, do not exceed in aggregate £50,000,000.

"**Permitted Facility Agreement**" means the agreement under which the Permitted Facility is provided.

"**Permitted Facility Provider**" means a consenting Borrower Bank Facility Provider or affiliate of a Borrower Bank Facility Provider or another provider thereof that has acceded to the STID and the Common Documents and which provides the Permitted Facility to the Borrower pursuant to the Permitted Facility Agreement.

"**Permitted Finance Lease**" means:

(a) Finance Leases existing prior to the Closing Date; and

(b) Finance Leases entered into by a Senior Financing Group Company on or following the Closing Date, if such Finance Lease:

(i) does not result in the total capitalised amount of all Finance Leases entered into by the Senior Financing Group Companies exceeding £50 million (RPI indexed) when entered into; and

(ii) does not on its own have a capitalised amount in excess of 12.5% of EBITDA of the Senior Financing Group or when added to the capitalised amount of the then existing Finance Leases would not exceed an aggregate capitalised amount of 12.5% of EBITDA.

"**Permitted Financial Indebtedness**" means:

(a) Senior Debt incurred under the Borrower Facilities entered into on the Closing Date (including any drawings on or following the Closing Date under the Capex Facility, the Working Capital Facility and/or the Liquidity Facility) and the Finance Leases existing prior to the Closing Date;

(b) Senior Debt incurred to refinance the Senior Debt referred to in Paragraph (a) above (or any Senior Debt which previously refinanced the Senior Debt referred to in Paragraph (a) above), including the extension of the Final Maturity Date of the Borrower Facilities entered into on the Closing Date or the entry into of new Borrower Facilities following the Closing Date, provided that:

(i) if any such Senior Debt includes any corresponding New Term Financial Indebtedness the New Term Financial Indebtedness Ratings Requirements covenant is met;

(ii) such Senior Debt satisfies the Maturity Concentration Limit covenant; and

(iii) the Final Maturity Date of such Senior Debt does not fall before the Final Maturity Date of Facility A or Facility B;

(c) any Financial Indebtedness incurred under a Permitted Facility;

(d) any Financial Indebtedness incurred under a Permitted Treasury Transaction;

(e) any Financial Indebtedness incurred to fund mark-to-market termination payments in respect of any Hedge terminated in accordance with the Hedging Policy;

(f) any unsecured Financial Indebtedness provided that the aggregate of such Financial Indebtedness does not exceed £10 million (RPI indexed);

(g) Permitted Guarantees;

(h) Permitted Senior Financing Group Loans;

(i) any Financial Indebtedness under Permitted Finance Leases;

(j) Subordinated Debt;

(k) any Financial Indebtedness incurred in respect of trade credit in the ordinary course of trading;

(l) any Financial Indebtedness where BACs or similar daylight-banking facility is provided;

(m) any Financial Indebtedness incurred pursuant to the operation of cash-pooling, net balance or balance transfer arrangements made available to Senior Financing Group Companies or their bankers;

(n) any Financial Indebtedness incurred with the prior written consent of the Obligor Security Trustee; and

(o) any Financial Indebtedness under any Authorised Facility,

provided that in regards to paragraph (b) (except to the extent already addressed by the proviso to paragraph (b) and (other than in respect of paragraphs (ii), (iv) and (viii) below), paragraph (e) (other than in respect of paragraph (iv) below) and paragraph (o) above:

(i) in respect of the incurrence of New Term Financial Indebtedness following the initial Closing Date, the New Term Financial Indebtedness Ratings Requirement covenant is met;

(ii) in respect of the Issuer/Borrower Loan corresponding to any Notes, such Notes are rated at least BBB− (or equivalent) by the Rating Agencies;

(iii) such Financial Indebtedness satisfies the Maturity Concentration Limit covenant;

(iv) a Trigger Event is not occurring and the Projected Trigger Event Financial Covenant Ratios would not be breached for a period of 36 months commencing on (but excluding) the immediately preceding Test Date as a result of such Financial Indebtedness;

(v) the provider of such Financial Indebtedness if not already party thereto has acceded to the Common Documents;

(vi) the Hedging Policy continues to be complied with;

(vii) (except in the case of any increase in the commitment under the Liquidity Facility or for Super Senior Borrower Hedges) such Financial Indebtedness ranks pari passu or subordinated to existing Senior Debt; and

(viii) no Obligor Event of Default has occurred and is continuing or would result from such Financial Indebtedness.

"**Permitted Guarantees**" means:

(a) guarantees in favour of contractual parties for performance or financial obligations (including, for the avoidance of doubt, under the Material Contracts), in each case given in the ordinary course of business and in connection with an arm's length transaction for bona-fide commercial purposes of the Permitted Business and not in respect of Financial Indebtedness;

(b) guarantees in favour of regulatory authorities, local authorities or customs authorities;

(c) any guarantee given in respect of any deficit in any pension scheme to the extent that the pension scheme is for the benefit of any directors, officers or employees of any Senior Financing Group Company;

(d) any guarantee given in respect of any netting or set-off arrangement permitted pursuant to the definition of Permitted Security Interest;

(e) any guarantee of any Financial Indebtedness permitted by the definition of Permitted Financial Indebtedness;

(f) guarantees given in respect of the liabilities of a Permitted Joint Venture;

(g) any endorsement of negotiable instruments in the ordinary course of trade;

(h) guarantees, performance or other similar bonds given or issued by a Senior Financing Group Company in respect of any obligation or liability of any other Senior Financing Group Company which is not incurred in breach of the Obligor Transaction Documents;

(i) any guarantee arising under the Obligor Security Documents or the Obligor Transaction Documents; and

(j) any guarantee not permitted by the preceding paragraphs provided that the aggregate liability (actual or contingent) of the Senior Financing Group under such guarantees does not exceed £10 million (RPI indexed) (or its equivalent) in aggregate at any time,

and not (in the case of (a) and (b) above) in respect of Financial Indebtedness.

"**Permitted Hedge Termination**" means the termination of a Hedging Agreement or Hedge in accordance with the applicable Hedging Policy.

"**Permitted Joint Venture**" means the entry into, investment in or acquisition of any Joint Venture where:

(a) the Joint Venture is (i) incorporated or established as at the Closing Date, (ii) a new Joint Venture where the amounts subscribed for in, lent to or invested in such new Joint Venture by the relevant Obligor is from Cash that would otherwise be available to the relevant Obligor to be distributed by way of a Restricted Payment, or (iii) a new Joint Venture where the amounts subscribed for in, lent to or invested in such new Joint Venture by the relevant Obligor is from Cash that is not available to be distributed by the relevant Obligor by way of a Restricted Payment, which when aggregated

with the amounts subscribed for in, lent to or invested in all new Joint Ventures by all of the Obligors from Cash that is not available to be distributed in that financial year by any of the Obligors by way of a Restricted Payment, does not exceed £30 million (RPI indexed) (or its equivalent) in any rolling 5 year period prior to the latest occurring Final Maturity Date of the Senior Debt;

(b) the Joint Venture carries on its principal business in the United Kingdom;

(c) the Joint Venture is engaged in a Permitted Business; and

(d) in any financial year, the aggregate of:

(i) all amounts subscribed for shares in, lent to or invested in any such Joint Ventures by any Obligor;

(ii) the incurrence of or any increase in the contingent liabilities of any Obligor under any guarantee given in respect of liabilities of any such Joint Venture; and

(iii) the book value of assets transferred by any Obligor to any such Joint Venture,

does not exceed £20 million.

"**Permitted Security Interest**" means:

(a) any Security Interest created under the Obligor Security Documents or expressly contemplated by the Obligor Transaction Documents;

(b) any lien arising by operation of law or pursuant to a contractual arrangement and in the ordinary course of trading and not as a result of any default or omission by any Senior Financing Group Company;

(c) any netting or set-off arrangement or banker's lien on standard terms entered into by any Senior Financing Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Senior Financing Group, but only so long as:

(i) such arrangement does not permit credit balances of any Senior Financing Group Company to be netted or set off against debit balances of any person which is not a Senior Financing Group Company; and

(ii) such arrangement does not give rise to other Security Interests over the assets of a Senior Financing Group Company in support of liabilities of any person which is not a Senior Financing Group Company;

(d) any netting or set-off arrangements under Permitted Treasury Transactions and across Issuer/Borrower Loans and Issuer/Borrower Hedges;

(e) any Security Interest or Quasi-Security over any rental deposits in respect of leasehold premises incurred in the ordinary course of trading;

(f) any Security Interest or Quasi-Security over goods and documents of title to such goods in the ordinary course of trading;

(g) a Security Interest arising under or contemplated by (i) any Finance Lease where the counterparty becomes party to the STID as a Finance Lessor or (ii) any Security Interest or Quasi-Security provided to a Finance Lessor to the extent such Finance Lessor does not accede to the Common Documents, provided that the aggregate amount secured by all such Security Interest or Quasi-Security shall not exceed £50 million (RPI indexed) (or its Equivalent Amount);

(h) any Security Interest or Quasi-Security over or affecting any asset of any company which becomes a member of the Senior Financing Group after the Closing Date, where the Security Interest or

Quasi-Security is created prior to the date on which that company becomes a member of the Senior Financing Group, if:

(i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that company;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that company; and

(iii) the Security Interest or Quasi-Security is removed or discharged within six months of that company becoming a member of the Senior Financing Group;

(i) any Security Interest or Quasi-Security over or affecting any asset acquired on arm's length terms by a member of the Senior Financing Group after the Closing Date, if:

(i) the Security Interest or Quasi-Security was not created in contemplation of the acquisition of that asset by a member of the Senior Financing Group;

(ii) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Senior Financing Group; and

(iii) the Security Interest or Quasi-Security is removed or discharged within six months of the date of acquisition of such asset;

(j) any Security Interest arising under any retention of title, hire purchase or conditional sale arrangement or arrangement having similar effect in respect of assets acquired by a member of the Senior Financing Group in the ordinary course of trading and on the supplier's standard and usual terms and not arising as a result of any default or omission by any member of the Senior Financing Group;

(k) any Quasi-Security arising as a result of a disposal which is a Permitted Disposal;

(l) any netting or set-off arrangements under supply contracts to any Senior Financing Group Company;

(m) any Security Interest permitted by the Obligor Security Trustee (acting in accordance with instructions received from the Qualifying Secured Creditors under the STID or (without obligation) in its absolute discretion);

(n) any Security Interest or Quasi-Security (existing as at the date of the CTA) over assets of any Senior Financing Group Company so long as the Security Interest or Quasi-Security is irrevocably released or discharged by no later than the Closing Date unless such Security Interest or Quasi-Security is permitted under any other paragraph of this definition;

(o) any Security Interest or Quasi-Security arising under statute or by operation of law in favour of any government, state or local authority in respect of taxes, assessments or government charges which are being contested by an Obligor in good faith and with a reasonable prospect of success;

(p) any Security Interest arising as a result of a lessee lien permitted pursuant to a lease by an Obligor; and

(q) any Security Interest created with the prior written consent of the Obligor Security Trustee.

"**Permitted Senior Financing Group Loans**" means Financial Indebtedness provided to and by members of the Senior Financing Group.

"**Permitted Tax Transaction**" means any surrender of tax losses or agreement relating to any tax benefit or relief (including, but not limited to, an election under section 171A of the Taxation of Chargeable Gains Act 1992) or any other agreement in relation to tax (including, but not limited to, the payment of any

balancing payment pursuant to and in accordance with the provisions of section 195 to 198 inclusive of the Taxation (International and Other Provisions) Act 2010 and the allocation of disallowances pursuant to Part 7 of that Act) between:

(a) a Senior Financing Group Company and any other Senior Financing Group Company; or

(b) a Senior Financing Group Company and any Non-Senior Financing Group Company, provided in the case of this sub-paragraph (b) that:

(i) where the relevant transaction is a surrender of Tax losses (other than in the circumstances described at (ii) and (iii) below), this is for a sum at least equal to, in the case of a surrender by a Senior Financing Group Company to a Non-Senior Financing Group Company, or no more than, in the case of a surrender by a Non-Senior Financing Group Company to a Senior Financing Group Company, the Payment Amount;

(ii) where the relevant transaction is a surrender of Tax losses to AF No 3, the surrender may be made for no consideration if the surrender to AF No 3 of the relevant losses will not result in the Senior Financing Group Companies having an anticipated aggregate tax liability which is a cash tax liability within 7 years following the date of the surrender, and will not reduce the quantum of tax losses specifically taken into account in the relevant cash flow model as necessary to ensure the adequacy of funds for servicing the Borrower Loans or the Notes;

(iii) where the relevant transaction is a surrender of Tax losses to a Senior Financing Group Company, the Senior Financing Group Company does not pay any consideration for the Tax losses if and to the extent that it can utilise the losses only by disclaiming capital allowances or would otherwise have been able to utilise its own Tax losses or Tax losses which are available to be surrendered to it by another Senior Financing Group Company in that accounting period; and

(iv) where the transaction is any transaction other than a surrender of Tax losses, it leaves the Senior Financing Group Companies, taken together, in no worse net economic position (taking into account, without limitation, the overall net Tax position of the Senior Financing Group Companies) than they would have been in had the transaction not taken place,

and that no surrender of Tax losses from any Senior Financing Group Company to any person which is not a Senior Financing Group Company for a consideration lower than the Payment Amount (or for no consideration) shall be permitted unless it has been approved by a resolution of the board of directors of Intermediate HoldCo in which an IH Independent Director forms part of the quorum for the meeting and has the power to vote on any board resolution of the Intermediate HoldCo in respect of such surrender.

"**Permitted Treasury Transaction**" means any Hedge and any Treasury Transaction that is not a Hedge, entered into by the Borrower or the Issuer (as applicable) for the purpose of hedging exposures to interest rates and foreign currency exchange rates arising in the ordinary course of the Arqiva Group's business (as applicable) and not for speculative purposes.

"**Primary Hedge**" shall have the meaning given to such term in the definition "Offsetting Hedge".

"**Principal Amount Outstanding**" means, in respect of a Note, on any day, the principal amount of that Note on the relevant Issue Date thereof less principal amounts received by the relevant Noteholder in respect thereof on or prior to that day.

"**Principal Paying Agent**" means Deutsche Bank AG, London Branch, or any successor thereto, appointed to act as the principal paying agent to the Issuer pursuant to the Agency Agreement.

"**Principal Subsidiaries**" means each of AUKBL, MUKBL Digital Limited, ATIL, Arqiva Holdings Limited, Arqiva Limited, Arqiva Services Limited, Arqiva No 2 Limited, Arqiva No 3 Limited and Arqiva Aerial Sites

Limited and from time to time any other direct or indirect subsidiary of Operating HoldCo that has acceded to the CTA and the STID as an Obligor.

"**Principal Subsidiaries Test**" means for two consecutive Test Dates:

(a) the aggregate contribution to Group EBITDA (as calculated including inter-company trading profits and management recharges) of the Obligors shall not represent less than 98% of Group EBITDA; and

(b) the aggregate assets (as defined below) of the Obligors shall not represent less than 98% of the assets of the Senior Financing Group,

tested on the Compliance Certificate Date following the relevant Test Date by reference to the previous Test Period ending on such Test Date.

For the purposes of the Principal Subsidiaries Test, "**assets**" means total gross assets excluding:

(i) goodwill;

(ii) inter-company balances between members of the Arqiva Group;

(iii) investments in subsidiaries, associates and joint ventures; and

(iv) deferred tax assets,

but, for the avoidance of doubt, including the revaluation of fixed assets held within the Obligors with the revaluation policy only being adopted in the consolidated financial accounts of the Parent.

"**Projected Cashflow DSCR**" means the projected ratio of Cashflow to Debt Service which, for the purposes of the Trigger Event Financial Covenant Ratios, is calculated at each Test Date for each Projected Test Period.

"**Projected Cashflow ICR**" means the projected ratio of Cashflow to Net Interest Payable which, for the purposes of the Trigger Event Financial Covenant Ratios, is calculated at each Test Date for each Projected Test Period.

"**Projected Net Debt to EBITDA Ratio**" means the projected ratio of Net Debt to EBITDA which, for the purposes of the Trigger Event Financial Covenant Ratios, is calculated at each Test Date for each Projected Test Period.

"**Projected Test Period**" means the 12 months commencing on (but excluding the relevant Test Date).

"**Projected Trigger Event Financial Covenant Ratios**" means the Projected Cashflow DSCR, the Projected Cashflow ICR and the Projected Net Debt to EBITDA Ratio.

"**Programme**" means the note programme established by, or otherwise contemplated in, the Programme Agreement and the Note Trust Deed.

"**Programme Agreement**" means the agreement dated on or about the Signing Date between the Issuer, the Obligors and the Dealers named therein (or deemed named therein) concerning the purchase of Notes to be sold pursuant to the Programme together with any agreement for the time being in force amending, replacing, novating or modifying such agreement and any accession letters and/or agreements supplemental thereto.

"**Proposed Super Senior Trade Date**" means, in respect of a Super Senior Test Date, a date that is no less than two Local Business Days and no more than seven Local Business Days following such Super Senior Test Date, on which the Borrower and/or Issuer (as applicable) proposes to enter into a Super Senior Hedge with a Super Senior Hedge Counterparty.

"**Qualifying Debt**" means:

(a) each Issuer/Borrower Loan;

(b) each other Borrower Loan;

(c) each Pari Passu Borrower Hedging Agreement;

(d) each Issuer/Borrower Hedging Agreement; and

(e) each Pari Passu Issuer Hedging Agreement to the extent there is no corresponding Issuer/Borrower Hedge,

excluding for the purposes of paragraph (b) above, each Drawing and, other than in respect of Extraordinary Voting Matters, each Permitted Facility.

"**Qualifying Secured Creditors**" means one or more Obligor Secured Creditors (excluding Permitted Facility Providers, other than in respect of Extraordinary Voting Matters or matters that give rise to an Entrenched Right of the relevant Permitted Facility Provider) to whom Qualifying Debt is owed in each case to the extent entitled to vote on an Ordinary Voting Matter, Extraordinary Voting Matter, Entrenched Rights, Enforcement Instruction Notice or Further Enforcement Instruction Notice, as the case may be, in accordance with the STID.

"**Quasi-Security**" means any arrangement which effectuates:

(a) a sale, transfer or other disposal of any assets of any Obligor on terms whereby they are or may be leased to or re-acquired by any member of the Senior Financing Group;

(b) a sale, transfer or other disposal of any receivables of any Obligor on recourse terms;

(c) an entry into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or

(d) an entry into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset or service.

"**Quorum Requirement**" means the required quorum in respect of voting matters, being one or more Participating Secured Creditors representing, in aggregate, at least the specified percentage (where applicable) of the Outstanding Principal Amount of all Qualifying Debt, where the specified percentages are set out in Clause 14.2 (Quorum Requirement for an Ordinary Voting Matter), 15.2 (Quorum Requirement for an Extraordinary Voting Matter), 18.3 (Quorum and voting requirements in respect of an Enforcement Instruction Notice and a Further Enforcement Instruction Notice) and 22(b) (Request for Directions), as relevant, of the STID.

"**Rate Hedges**" has the meaning given to it in Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Rate Hedge Type**" has the meaning given to it in Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Rating Agencies**" means the relevant rating agencies that are appointed by the Issuer from time to time, being at the Closing Date, Fitch and S&P.

"**Rating Downgrade Event**" means the rating downgrade event detailed in Paragraph 1 of Part 4 (Rating Downgrade Event) of Schedule 2 (Covenants) to the CTA.

"**Recovery Claim**" means a claim against the provider of any Report (in its capacity as a provider of that Report) received by a member of the Arqiva Group except for Excluded Report Recovery Proceeds, and after deducting:

(a) any reasonable expenses which are incurred by such member of the Arqiva Group with respect to that Report; and

(b) any Tax incurred and required to be paid or payable by such member of the Arqiva Group in connection with that recovery (as reasonably determined by the relevant member of the Arqiva Group on the basis of existing rates and taking into account any available credit, deduction or allowance),

in each case in relation to that claim.

"**Registrar**" means Deutsche Bank Trust Company Americas, or any successor or replacement thereto, appointed to act as the registrar to the Issuer.

"**Remedial Plan**" means, in respect of a Trigger Event continuing for 6 months or more, any plan for remedial action acceptable to the Obligor Security Trustee (acting on the instructions of the Qualifying Secured Creditors which are owed Qualifying Debt having an aggregate Outstanding Principal Amount of at least 20% of the aggregate Outstanding Principal Amount of all Qualifying Debt).

"**Report**" means each of:

(a) the auditors' reports in respect of the Obligors for the financial years ended 30 June 2011 and 30 June 2012;

(b) the model audit report by Ernst and Young LLP dated on or before the Closing Date in relation to the Base Case Model;

(c) due diligence report dated 15 March 2012 and addendum report dated 10 May 2012 prepared by Deloitte LLP in relation to, amongst other matters, the Arqiva Group; and

(d) the security review, memorandum and accompanying schedules by Allen & Overy LLP dated on or about the Signing Date,

in each case as dated and delivered pursuant to the CP Agreement.

"**Report Recovery Proceeds**" means the proceeds of a Recovery Claim.

"**Reserved Matters**" means those matters which, in accordance with Schedule 3 (Reserved Matters) of the STID, an Obligor Secured Creditor is free to exercise in accordance with its own debt instrument.

"**Restricted Payments**" means any payments (including distributions, dividends, bonus issues, return of capital, fees, interest, principal or other amounts whatsoever) by way of loan or repayment of any loan or otherwise (in cash or in kind) by any Senior Financing Group Company to any Senior Group Holding Company, any other Non-Senior Financing Group Company (other than the Issuer or FinCo) or any Shareholder (in each case other than pursuant to or in accordance with the Obligor Transaction Documents) other than:

(a) payments made pursuant to any contract for the provision to any Senior Financing Group Company of any lease, licence, goods or services (other than management services pursuant to paragraph (b) below) provided on arm's length terms or better than arm's length terms from the perspective of such Senior Financing Group Company;

(b) payments made for the provision of management services and which are entered into on bona fide arm's length terms and in the ordinary course of trading to the extent that the aggregate of all such payments together with all payments made pursuant to paragraph (d) below does not exceed £1 million (RPI indexed) in any consecutive twelve month period, provided that no such payment may be made to meet general corporate purposes of any Senior Group Holding Company or any other Non-Senior Financing Group Company;

(c) payments made pursuant to a Permitted Tax Transaction;

(d) any payments of insurance premiums to a captive insurer that are on arm's length terms;

(e) any payment made by a Senior Financing Group Company not otherwise permitted above if the amount of that payment when aggregated with the amount of all other payments made under this paragraph (e) together with all payments made pursuant to paragraph (b) above does not exceed £1 million (RPI indexed) (or its equivalent) in any consecutive twelve month period; and

(f) any payments made on the Closing Date pursuant to the Structure Paper.

"**Restructured Hedges**" means the Restructured Inflation Linked Hedges.

"**Restructured Inflation Linked Hedge**" means each Inflation Linked Hedge which prior to the Closing Date was (but, for the avoidance of doubt, as at the date of this Agreement, no longer is) an Existing Inflation Linked Hedge and whose commercial terms have been amended on or about the Closing Date.

"**Retail Price Index**" or "**RPI**" means the UK Retail Price Index as published by the UK Office for National Statistics (or if the UK Office for National Statistics ceases to exist, its successor).

"**Risk Weighted Notional Amount**" means, in respect of any Super Senior Test Date or Proposed Super Senior Trade Date in respect of such Super Senior Test Date, the sum of the following amounts determined in each case in respect of the relevant Super Senior Test Date (such that, for the avoidance of doubt, the Risk Weighted Notional Amount in respect of a Proposed Super Senior Trade Date will be the same as the Risk Weighted Notional Amount in respect of the relevant Super Senior Test Date):

(a) an amount (that shall be subject to a minimum of zero) equal to:

(i) the aggregate sum of the amounts that would be payable to each Super Senior Borrower Hedge Counterparty and each Super Senior Issuer Hedge Counterparty (as applicable) by the Borrower and/or the Issuer (as applicable); less

(ii) the aggregate sum of the amounts that would be payable by each Super Senior Borrower Hedge Counterparty and each Super Senior Issuer Hedge Counterparty (as applicable) to the Borrower and/or the Issuer (as applicable),

in each case pursuant to Section 6(e) of the relevant Hedging Agreement (assuming an Early Termination Date had been designated in respect of all transactions under such Hedging Agreement then outstanding) (which, for the avoidance of doubt, shall be the amount notified in a Mark Statement pursuant to subparagraph 13.3 or calculated pursuant to subparagraphs 13.4 or 13.5 (as applicable) of this Issuer/Borrower Hedging Policy; and

(b) the sum of:

(i) an amount equal to the product of (i) 35% and (ii) the aggregate of the notional amount of each proposed Super Senior Hedge that is an Interest Rate Hedge;

(ii) an amount equal to the product of (i) 140% and (ii) the aggregate notional amount of each proposed Super Senior Hedge that is an Inflation Linked Hedge; and

(iii) an amount equal to the product of (i) 65% and (ii) the aggregate notional amount of each proposed Super Senior Hedge that is a Currency Hedge,

provided that for the purposes of determining the Super Senior Hedge outstanding on such Super Senior Test Date, the following will not be included (A) in respect of the amount calculated pursuant to subparagraph (b) of the definition of Risk Weighted Notional Amount above, any Offsetting Hedges and any Hedges which have been offset by such Offsetting Hedges, and (B) any Overlay Hedges.

"**S&P**" means Standard & Poor's Ratings Services, a division at Standard & Poor's Credit Market Services Europe Limited and any successor to its rating business.

"**S&P Required Rating**" means a long-term unsecured and unsubordinated debt obligations rating of at least A- by S&P, provided that if the relevant entity has a long-term unsecured and unsubordinated debt obligations rating of A− by S&P such entity must not be on credit watch negative (or equivalent).

"**Scottish Security Deeds**" means the individual Standard Securities granted in favour of the Obligor Security Trustee executed on or about the Closing Date.

"**Secured Creditor Representative**" means, in respect of a Secured Creditor, its representative for the purposes of the STID and the CTA which, in respect of the Hedge Counterparties, will be each individual Hedge Counterparty who will vote (if applicable) individually representing themselves.

"**Secured Creditors**" means the Obligor Secured Creditors and the Issuer Secured Creditors.

"**Security Deed**" means the deed of charge and guarantee executed in favour of the Obligor Security Trustee by each of the Obligors on or about the Closing Date.

"**Security Documents**" means:

(a) the Security Deed;

(b) the STID and each deed of accession thereto, together with any Supplemental Deed;

(c) the Scottish Security Deeds;

(d) the Jersey Security;

(e) the Northern Irish Security Agreement; and

(f) any other document evidencing or creating security over any asset of an Obligor to secure any obligation of any Obligor to an Obligor Secured Creditor in respect of the Obligor Secured Liabilities.

"**Security Interest**" means any mortgage, standard security, pledge, lien, charge (fixed or floating), assignment, assignation, hypothecation, set-off or trust arrangement for the purpose of creating security, reservation of title or security interest or any other agreement or arrangement having a substantially similar effect.

"**Senior Debt**" means any Financial Indebtedness of the Senior Financing Group that is not Subordinated Debt, including:

(a) under the Issuer/Borrower Facilities;

(b) under the Borrower Bank Facilities;

(c) under any Ancillary Facilities;

(d) under any Permitted Facilities;

(e) under any other Authorised Facilities;

(f) the capitalised values of any Finance Leases; and

(g) under any Treasury Transactions (including any Offsetting Hedge Annuity).

"**Senior Financing Group**" means the Parent, the Intermediate Parent, the Borrower and all of the Borrower's direct and indirect subsidiaries (but excluding, for the avoidance of doubt, the Issuer and FinCo).

"**Senior Financing Group Company**" means each member of the Senior Financing Group.

"**Senior Group Holding Company**" means the Holding Companies of the Parent, which as at the Closing Date are Intermediate HoldCo, AF No 2, the Junior Parent, AF No 3 and AGL.

"**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are:

(a) expressed to be consolidated and form a single series; and

(b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices and the expressions **Notes of the relevant Series, holders of Notes of the relevant Series** and related expressions shall be construed accordingly.

"**Shareholder**" means, as at the Closing Date, the Initial Shareholders and from time to time, the shareholders in AGL.

"**Signing Date**" means 22 February 2013, the date upon which the Issuer Transaction Documents, the Common Documents and other relevant Obligor Transaction Documents have been entered into by all the parties thereto.

"**Smart Metering**" means the national programme to establish a communications system (a) to connect a new generation of electricity and gas meters in domestic and some non-domestic premises with energy utility companies so as to monitor the consumption of utilities and (b) to communicate such consumption to the relevant utility company for monitoring and billing purposes.

"**Specified Interest Payment Date**" means, if applicable, as specified in the applicable Final Terms.

"**standard security**" means a standard security as defined in Part II of the Conveyancing and Feudal Reform (Scotland) Act 1970.

"**Standby Drawing**" means the principal amount of each drawing made from an Affected Liquidity Facility Provider under Clause 3 of the Liquidity Facility Agreement or the principal amount outstanding of that drawing.

"**Stated Maturity**" means, with respect to any Cash Equivalent, the date specified in such obligation as the fixed date on which the final payment or repayment of principal of such obligation is due and payable.

"**STID**" or "**Security Trust and Intercreditor Deed**" means the security trust and intercreditor deed setting out the voting and intercreditor arrangements amongst the Secured Creditors entered into on or about the Signing Date between, among others, the Obligor Security Trustee, the Obligors, the Issuer Security Trustee and the Note Trustee, together with any deed supplemental to the STID and referred to in the STID as a "**Supplemental Deed**".

"**STID Proposal**" means a proposal or request made by the Obligor in accordance with the STID proposing or requesting the Obligor Security Trustee to concur in making any modification, giving any consent or granting any waiver under or in respect of any Common Document.

"**STID Voting Request**" has the meaning given to it in Clause 12.7 (STID Voting Request) of the STID.

"**Subordinated Debt**" means initially any Financial Indebtedness outstanding under the Subordinated Loan Agreements and from time to time any further Financial Indebtedness incurred by the Parent to Intermediate HoldCo that ranks subordinate to the Senior Debt pursuant to the Common Documents.

"**Structure Paper**" means the steps paper in the agreed form, setting out certain transactions to be entered into in connection with the refinancing.

"**Subordinated Lender**" means either Intermediate HoldCo in its capacity of providing the Subordinated Loans to the Parent to be on-lent by the Parent to the Intermediate Parent and by the Intermediate Parent to the Borrower.

"**Subordinated Loan Agreements**" means the agreements dated on or about the Signing Date under which the Subordinated Loans are provided.

"**Subordinated Loans**" means the loans made by the Subordinated Lender to the Borrower via the Parent and the Intermediate Parent.

"**Subscription Agreement**" means an agreement supplemental to the Programme Agreement (by whatever name called) in or substantially in the form set out in Schedule 5 (Pro Forma Subscription Agreement) to the Programme Agreement or in such other form as may be agreed between the Issuer and the Lead Manager or one or more Dealers (as the case may be).

"**Subsidiary**" means a subsidiary within the meaning of section 1159 of the Companies Act and, unless the context otherwise requires, a subsidiary undertaking within the meaning of section 1162 of the Companies Act, in each case which, for this purpose, shall be treated as including any person the shares or ownership interests in which are subject to any Security Interest and where the legal title to the shares or ownership interests so secured are registered in the name of the secured party or its nominee pursuant to such Security Interest.

"**Super Senior Borrower Hedge Counterparty**" means a Hedge Counterparty that is party to a Super Senior Borrower Hedging Agreement.

"**Super Senior Borrower Hedges**" means each Borrower Hedge forming part of and subject to a Super Senior Borrower Hedging Agreement, as further described in Paragraph 5 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Super Senior Borrower Hedging Agreement**" means each Agreed Form Borrower Master Agreement, including all Treasury Transactions forming part thereof and subject thereto, between the Borrower and a Borrower Hedge Counterparty, that is designated a "Super Senior Borrower Hedging Agreement" in the schedule to that Agreed Form Borrower Master Agreement, as further described in Paragraph 5 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Super Senior Ceiling**" means an amount equal to the product of (a) 50% and (b) the aggregate outstanding principal amount of the Notes and the Borrower Loans (excluding any Issuer/Borrower Loans).

"**Super Senior Hedge Counterparty**" means a Hedge Counterparty that is party to a Super Senior Borrower Hedging Agreement, a Super Senior Issuer Hedging Agreement or a Super Senior Issuer/Borrower Hedging Agreement.

"**Super Senior Hedges**" means the Super Senior Borrower Hedges, the Super Senior Issuer Hedges and the Super Senior Issuer/Borrower Hedges.

"**Super Senior Hedging Agreement**" means each Super Senior Borrower Hedging Agreement, each Super Senior Issuer Hedging Agreement and each Super Senior Issuer/Borrower Hedging Agreement.

"**Super Senior Issuer Hedge Counterparty**" means a Hedge Counterparty that is party to a Super Senior Issuer Hedging Agreement.

"**Super Senior Issuer Hedges**" means each Issuer Hedge forming part of and subject to a Super Senior Issuer Hedging Agreement, as further described in Paragraph 5 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Super Senior Issuer Hedging Agreement**" means each ISDA Master Agreement, including all Treasury Transactions forming part thereof and subject thereto, between the Issuer and an Issuer Hedge Counterparty, that is designated a "Super Senior Issuer Hedging Agreement" in the schedule to that ISDA Master Agreement, as further described in Paragraph 5 of Schedule 5 (Hedging Policy and Overriding Provisions relating to Hedging Agreements) to the CTA.

"**Super Senior Issuer/Borrower Hedge**" means each Treasury Transaction forming part of and subject to a Super Senior Issuer/Borrower Hedging Agreement.

"**Super Senior Issuer/Borrower Hedging Agreement**" means each ISDA Master Agreement, including all Treasury Transactions forming part thereof and subject thereto, between the Issuer and the Borrower, that is designated a "Super Senior Issuer/Borrower Hedging Agreement" in the schedule to such ISDA Master Agreement.

"**Super Senior Test Date**" means, a date notified by the Borrower and/or Issuer (as applicable) to each Super Senior Hedge Counterparty in accordance with subparagraph 13.2 of the Issuer/Borrower Hedging Policy.

"**Tax**" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest) and "**taxes**", "**taxation**", "**taxable**" and comparable expressions will be construed accordingly.

"**Tax Deed of Covenant**" means a tax deed of covenant to be entered into on or about the Closing Date by the Tax Obligors, the Obligor Security Trustee, the Issuer Security Trustee and the Note Trustee, covering, in particular, the past, present and future grouping and other tax-related arrangements of the Borrower, the Issuer and FinCo.

"**Tax Obligors**" means the Issuer, FinCo, the Borrower, the Parent, the Intermediate Parent and the Intermediate HoldCo.

"**Test Date**" means 30 June and 31 December in each year commencing with the Test Date occurring on 30 June 2013.

"**Test Period**" means the 12-month period ending on (and including) the relevant Test Date.

"**Tranche**" means a tranche in which a Series is issued where the specific terms of such a tranche are identical in all respects (save for the Issue Dates, Interest Commencement Dates and/or Issue Prices) to the terms of the other tranches of the same Series.

"**Transaction Documents**" means:

(a) each Obligor Transaction Document; and

(b) each Issuer Transaction Document.

"**Transfer Agent**" means Deutsche Bank Trust Company Americas, or any successor thereto, appointed to act as the transfer agent to the Issuer.

"**Treasury Transaction**" means any currency or interest rate purchase, cap or collar agreement, forward rate agreement, interest rate agreement, index linked agreement, interest rate or currency or future or option contract, foreign exchange or currency purchase or sale agreement, interest rate swap, currency swap, basis rate swap or combined similar agreement, any energy, oil or other commodity derivative transaction or any derivative transaction protecting against or benefiting from fluctuations in any rate, index or price.

"**Treaty**" means the Treaty establishing the European Community, as amended from time to time.

"**Trigger Event Consequences**" means the consequences which will apply if a Trigger Event occurs and is continuing, identified as such in Part 2 (Trigger Event Consequences) of Schedule 3 (Trigger Events) of the CTA.

"**Trigger Event Financial Covenant Ratios**" has the meaning given to it in Paragraph 1.1 of Part 1 (Trigger Events) of Schedule 3 (Trigger Events) to the CTA.

"**Trigger Events**" means any of the events or circumstances identified as such in Part 1 (Trigger Events) of Schedule 3 (Trigger Events) to the CTA.

"**Unused Disposal Proceeds**" has the meaning given to it in Paragraph 5 of Part 5 (Mandatory Prepayment and Voluntary Prepayment) of Schedule 2 (Covenants) to the CTA.

"**Unused Insurance Proceeds**" has the meaning given to it in Paragraph 5 of Part 5 (Mandatory Prepayment and Voluntary Prepayment) of Schedule 2 (Covenants) to the CTA.

"**Unused Proceeds**" means the Unused Disposal Proceeds, the Report Recovery Proceeds and the Unused Insurance Proceeds.

"**Voted Qualifying Debt**" means the Outstanding Principal Amount of the Qualifying Debt of the Participating Secured Creditors voting in accordance with the STID.

"**Working Capital Facility**" means the Initial Working Capital Facility and any future facility made available to the Borrower to fund its working capital needs.

"**Working Capital Facility Providers**" means the Initial Working Capital Facility Providers and any other bank or financial institution which provide the Borrower with revolving facilities and which accede to the CTA and the STID after the Signing Date.

## FORMS OF THE NOTES

Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by a global certificate in registered form without interest coupons attached (the "**Global Certificate**"). The Global Certificate will be deposited, on the Issue Date, with a common depository and registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg.

Persons holding beneficial interests in the Global Certificate will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Global Certificate will, in the absence of provision to the contrary, be made to the person shown on the register as the registered holder of the Global Certificates. None of the Issuer, any Paying Agent, the Note Trustee or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the register on the relevant Record Date immediately preceding the due date for payment in the manner provided in *Condition 7 (Payments)*.

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Notes only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor Clearing System satisfactory to the Note Trustee is available. The Issuer will promptly give notice to Noteholders in accordance with *Condition 15 (Notices)* if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the notice by the Registrar.

### *Transfer of Interests*

Interests in a Global Certificate may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Global Certificate. No beneficial owner of an interest in a Global Certificate will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. The Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions (see "*Plan of Distribution*").

### *General*

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative Clearing System may otherwise be approved by the Issuer, the Principal Paying Agent and the Note Trustee.

No Noteholder shall be entitled to proceed directly against the Issuer unless the Note Trustee or the Security Trustee, as the case may be, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The Issuer may agree with any Joint Global Coordinator and Joint Bookrunner that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new offering memorandum will be made available which will describe the effect of the agreement reached in relation to such Notes.

***Provisions Relating to the Notes while in Global Form***

Global Certificates will contain provisions that apply to the Notes which they represent, some of which modify the effect of the Conditions of the Notes as set out in this Offering Memorandum. The following is a summary of certain of those provisions:

- Meetings: The holder of a Global Certificate shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Certificate shall be treated as having one vote in respect of each minimum denomination of Notes for which such Global Certificate may be exchanged.

- Cancellation: Cancellation of any Note represented by a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Certificate.

- Notices: So long as any Notes are represented by a Global Certificate and such Global Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other relevant Clearing System, notices to the Noteholders may be given, subject always to listing requirements, by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or any other relevant Clearing System for communication by it to entitled Accountholders in substitution for publication as provided in the Conditions. Such notices shall be deemed to have been received by the Noteholders on the date of delivery to such Clearing Systems.

## BOOK-ENTRY CLEARANCE PROCEDURE

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Note Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Custodial and depositary links have been established between Euroclear and Clearstream, Luxembourg to facilitate the issue of the Notes and cross-market transfers of the Notes associated with secondary market trading. Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Investors may hold their interests in Global Certificates directly through Euroclear or Clearstream, Luxembourg as direct participants or indirectly as indirect participants.

### Book-entry ownership

Each Global Certificate will have an ISIN and a common code and will be deposited with, or on behalf of, a common depositary and registered in the name of the nominee of the common depositary for Euroclear and Clearstream.

### Payments and relationship of participants with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Certificate, the common depositary, by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Certificate as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by direct participants in any Clearing System to owners of beneficial interests in any Global Certificate held through such direct participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such

Global Certificate and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Certificate in respect of each amount so paid.

**Settlement and transfer of Notes**

Transfers of any interests in Notes represented by a Global Certificate within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant Clearing System. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Certificate to such persons may depend upon the ability to exchange such Notes for Notes in definitive form.

Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Certificates among participants and accountholders of Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Note Trustee, the agents or any Joint Global Coordinator and Joint Bookrunner will be responsible for any performance by Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## DESCRIPTION OF THE ISSUER

The Issuer, Arqiva Broadcast Finance plc, was incorporated in England and Wales on 19 December 2012. The Issuer was incorporated under the Companies Act 2006, as amended, as a public company of unlimited duration and with limited liability. Its registered number is 08336342. The Issuer is and always intends to be resident in the United Kingdom for tax purposes.

The Issuer's registered office is at Crawley Court, Winchester, Hampshire SO21 2QA, where the Issuer's register of members is kept (telephone number + 44 (0) 333 032 8000). The memorandum and articles of association of the Issuer may be inspected at the registered office of the Issuer. The Issuer has unlimited corporate capacity under English law.

The Issuer is wholly owned by the Parent Guarantor. The Issuer has no subsidiaries.

The Issuer's website is https://arqiva.com. Unless specifically incorporated by reference into this Offering Memorandum, the information contained on the website does not form part of this Offering Memorandum.

### Directors and Secretary of the Issuer

The Directors of the Issuer and their respective addresses and other principal activities are:

| Name | Nationality | Business Address | Other Principal Activities |
|---|---|---|---|
| Jonathan Laurence David Carter | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Director |
| Drummond Macgregor Clark | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Investment Manager |
| Paul Michael Donovan | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Company Director |
| Susana Durante Teixeira Gomes Leith-Smith | Portuguese | Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD | Asset Management |
| Scott Robert James Longhurst | British | Crawley Court, Winchester, Hampshire SO21 2Q A | Director |
| James Anthony O'Halloran | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Director |
| Michael Peter Francis Osborne | British | Level 7, One Bartholomew Close, Barts Square, London, England, EC1A 7BL | Private Equity Professional |

| | | | |
|---|---|---|---|
| Matthew Postgate | British | Arqiva Limited, Crawley Court, Winchester, Hampshire, England, SO21 2QA | Director |
| David Stirton | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Investment Manager |

The secretary of the Issuer is Nicola Jean Phillips whose business address is at Crawley Court, Crawley, Winchester, Hampshire SO21 2QA.

The directors of the Issuer may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of the Issuer, regardless of any other directorship he or she may hold.

**Conflicts of interest and other matters**

The Issuer is not aware of any conflicts of interest between any duties owed by the directors to the Issuer and their private interests or other duties, save that Susana Leith-Smith has been nominated to the board of directors of Southern Water, Michael Osborne has been nominated to the board of directors of Affinity Water, David Stirton has been nominated to the board of directors of Anglian Water and Jonathan Carter been nominated to the board of directors of Affinity Water.

### Principal Activities

The Issuer was established as a special purpose vehicle and its principal activities will be the acquiring, holding and managing its rights and assets under the Notes, with the execution and performance of the Note Trust Deed and the other Transaction Documents, the execution and performance of all other documents to which it is expressed to be a party and the exercise of related rights and powers and other activities reasonably incidental thereto.

The principal objects of the Issuer are set out in its articles of association and are, inter alia, to carry on business as a general commercial company. The activities of the Issuer will be restricted by its articles of association and the Transaction Documents and will be limited to the issue of Notes, the exercise of related rights and powers and other activities referred to herein or reasonably incidental thereto.

Under the Companies Act 2006 (as amended), the Issuer's governing documents, including its principal objects, may be altered by a special resolution of shareholders.

### Management and Control

The Issuer is managed and controlled in England.

### Share Capital

The issued and fully paid share capital of the Issuer is £50,000 comprising 50,000 shares of £1 each as at the date of this Offering Memorandum.

## DESCRIPTION OF THE INTERMEDIATE GUARANTOR

The Intermediate Guarantor, Arqiva Financing No 2 Limited ("**AF No 2**"), was incorporated in England and Wales on 5 March 2007, under the Companies Act 1985, as amended, as a private limited company. The Intermediate Guarantor operates under the Companies Act 2006. Its registered number is 06137899. On 23 March 2007, it changed its name from Primrosehurst Limited to Macquarie UK Broadcast Enterprises Limited and, on 12 August 2011, it changed its name again to its current name, Arqiva Financing No 2 Limited.

AF No 2's registered office is at Crawley Court, Winchester, Hampshire, England SO21 2QA, where its register of members is kept (telephone number + 44 (0) 333 032 8000). The memorandum and articles of association of AF No 2 may be inspected at its registered office.

AF No 2 is wholly owned by the Parent Guarantor. See "*Description of the Parent Guarantor*" for more information about the Parent Guarantor.

AF No 2's website is https://arqiva.com. Unless specifically incorporated by reference into this Offering Memorandum, the information contained on the website does not form part of this Offering Memorandum.

### Directors

The directors of AF No 2 and their respective addresses and other principal activities are:

| Name | Nationality | Business Address | Other Principal Activities |
|---|---|---|---|
| Jonathan Laurence David Carter | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Director |
| Drummond Macgregor Clark | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Investment Manager |
| Paul Michael Donovan | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Company Director |
| Susana Durante Teixeira Gomes Leith Smith | Portuguese | Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD | Asset Management |
| Scott Robert James Longhurst | British | Crawley Court, Winchester, Hampshire SO21 2Q A | Director |
| James Anthony O'Halloran | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Director |
| Michael Peter Francis Osborne | British | Level 7, One Bartholomew Close, Barts Square, | Private Equity Professional |

| | | | |
|---|---|---|---|
| | | London, England, EC1A 7BL | |
| Matthew Postgate | British | Arqiva Limited, Crawley Court, Winchester, Hampshire, England, SO21 2QA | Director |
| David Stirton | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Investment Manager |

The directors of AF No 2 may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of AF No 2, regardless of any other directorship he or she may hold.

**Conflicts of interest and other matters**

The Intermediate Guarantor is not aware of any conflicts of interest between any duties owed by the directors to the Intermediate Guarantor and their private interests or other duties, save that Susana Leith-Smith has been nominated to the board of directors of Southern Water, Michael Osborne has been nominated to the board of directors of Affinity Water, David Stirton has been nominated to the board of directors of Anglian Water and Jonathan Carter been nominated to the board of directors of Affinity Water.

### Principal Activities

AF No 2 was established as a private limited company and its principal activities are as the Intercompany Borrower under the Intercompany Loan Agreement, as the holding company of Intermediate HoldCo, a company incorporated under the Companies Act 1985, as amended, as a private limited company and having its registered office at Crawley Court, Winchester, Hampshire SO21 2QA (registered number is 06137899) and as a Guarantor.

As a Guarantor, AF No 2 unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it under the Notes or the Note Trust Deed at the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) to pay or procure the payment of that sum to or to the order of the Note Trustee according to the terms of the Notes and the Note Trust Deed (as applicable).

### Management and Control

AF No 2 is managed and controlled in England.

### Share Capital

The issued and fully paid share capital of AF No 2 is £50,002 comprising 50,002 shares of £1 as at the date of this Offering Memorandum.

## DESCRIPTION OF THE PARENT GUARANTOR

The Parent Guarantor, Arqiva Broadcast Parent Limited, was incorporated in England and Wales on 28 May 2012 under the Companies Act 2006, as a private limited company. Its registered number is 08085823.

On 27 November 2012, it changed its name from Alnery No. 3036 Limited to its current name, Arqiva Broadcast Parent Limited.

The Parent Guarantor's registered office is at Crawley Court, Winchester, Hampshire SO21 2QA, where the Parent Guarantor's register of members is kept (telephone number + 44 (0) 333 032 8000). The memorandum and articles of association of the Parent Guarantor may be inspected at the registered office of the Parent Guarantor.

The Parent Guarantor is wholly owned by Arqiva Intermediate Limited, a private limited company incorporated in England and Wales and having its registered office at Crawley Court, Winchester, Hampshire, England SO21 2QA. Its registered number is 13776518.

### Directors

The directors of the Parent Guarantor and their respective addresses and other principal activities are:

| Name | Nationality | Business Address | Other Principal Activities |
|---|---|---|---|
| Jonathan Laurence David Carter (alternate) | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Director |
| Drummond Macgregor Clark (alternate) | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Investment Manager |
| Paul Michael Donovan | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Company Director |
| Susana Durante Teixeira Gomes Leith Smith | Portuguese | Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD | Asset Management |
| Scott Robert James Longhurst | British | Crawley Court, Winchester, Hampshire SO21 2QA | Director |
| James Anthony O'Halloran | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Director |
| Michael Peter Francis Osborne | British | Level 7, One Bartholomew Close, Barts Square, | Private Equity Professional |

| | | | |
|---|---|---|---|
| | | London, England, EC1A 7BL | |
| Matthew Postgate | British | Arqiva Limited, Crawley Court, Winchester, Hampshire, England, SO21 2QA | Director |
| David Stirton | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Investment Manager |

The directors of the Parent Guarantor may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of the Parent Guarantor, regardless of any other directorship he or she may hold.

**Conflicts of interest and other matters**

The Parent Guarantor is not aware of any conflicts of interest between any duties owed by the directors to the Parent Guarantor and their private interests or other duties, save that Susana Leith-Smith has been nominated to the board of directors of Southern Water, Michael Osborne has been nominated to the board of directors of Affinity Water, David Stirton has been nominated to the board of directors of Anglian Water and Jonathan Carter been nominated to the board of directors of Affinity Water.

### Principal Activities

The Parent Guarantor was established as a private limited company and its principal activities are acting as, and in connection with being, a holding company and as a Guarantor to unconditionally and irrevocably guarantee that if the Issuer does not pay any sum payable by it under the Notes or the Note Trust Deed at the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) to pay or procure the payment of that sum to or to the order of the Note Trustee according to the terms of the Notes and the Note Trust Deed (as applicable).

### Management and Control

The Parent Guarantor is managed and controlled in England.

### Share Capital

The issued and fully paid share capital of the Parent Guarantor is £100,002, comprising 100,002 shares of £1 each as at the date of this Offering Memorandum.

### Independent Auditors

The consolidated financial statements of the Parent Guarantor as at and for each of the years ended 30 June 2024, 30 June 2023 and 30 June 2022 have been audited by PricewaterhouseCoopers LLP, independent auditor, as stated in their reports appearing herein.

PricewaterhouseCoopers LLP is registered with the Institute of Chartered Accountants in England and Wales.

Each of the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial years ended 30 June 2024, 2023 and 2022 have not been restated to reflect the restatement of historical financial information described under section "*Presentation of Financial and Other Information—Restatement*" above.

## DESCRIPTION OF INTERMEDIATE HOLDCO

The Intermediate HoldCo, Arqiva Broadcast Intermediate Limited, was incorporated in England and Wales on 28 May 2012 under the Companies Act 2006, as a private limited company. Its registered number is 08085710.

On 27 November 2012, it changed its name from Alnery No. 3038 Limited to its current name, Arqiva Broadcast Intermediate Limited.

The Intermediate HoldCo's registered office is at Crawley Court, Winchester, Hampshire SO21 2QA, where the Intermediate HoldCo's register of members is kept (telephone number + 44 (0) 333 032 8000). The memorandum and articles of association of the Intermediate HoldCo may be inspected at the registered office of Intermediate HoldCo.

The Intermediate HoldCo is wholly owned by AF No 2.

### Directors

The directors of the Intermediate HoldCo and their respective addresses and other principal activities are:

| Name | Nationality | Business Address | Other Principal Activities |
|---|---|---|---|
| Jonathan Laurence David Carter (alternate) | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Director |
| Drummond Macgregor Clark (alternate) | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Investment Manager |
| Paul Michael Donovan | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Company Director |
| Susana Durante Teixeira Gomes Leith Smith | Portuguese | Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD | Asset Management |
| Scott Robert James Longhurst | British | Crawley Court, Winchester, Hampshire SO21 2Q A | Director |
| James Anthony O'Halloran | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Director |
| Michael Peter Francis Osborne | British | Level 7, One Bartholomew Close, Barts Square, London, England, EC1A 7BL | Private Equity Professional |

| | | | |
|---|---|---|---|
| Matthew Postgate | British | Arqiva Limited, Crawley Court, Winchester, Hampshire, England, SO21 2QA | Director |
| David Stirton | British | Crawley Court, Winchester, Hampshire, SO21 2QA | Investment Manager |

The directors of the Intermediate HoldCo may engage in other activities and have other directorships. As a matter of English law, each director is under a duty to act honestly and in good faith with a view to the best interest of the Intermediate HoldCo, regardless of any other directorship he or she may hold.

**Conflicts of interest and other matters**

The Intermediate HoldCo is not aware of any conflicts of interest between any duties owed by the directors to the Intermediate HoldCo and their private interests or other duties, save that Susana Leith-Smith has been nominated to the board of directors of Southern Water, Michael Osborne has been nominated to the board of directors of Affinity Water, David Stirton has been nominated to the board of directors of Anglian Water and Jonathan Carter been nominated to the board of directors of Affinity Water.

### Principal Activities

The Intermediate HoldCo was established as a private limited company and its principal activities are acting as, and in connection with being, a holding company of the Senior Parent and as a Guarantor.

As a Guarantor, Intermediate HoldCo unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it under the Notes or the Note Trust Deed at the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise) to pay or procure the payment of that sum to or to the order of the Note Trustee according to the terms of the Notes and the Note Trust Deed (as applicable).

### Management and Control

The Intermediate HoldCo is managed and controlled in England.

### Share Capital

The issued and fully paid share capital of the Intermediate HoldCo is £50,002, comprising 50,002 shares of £1 each as at the date of this Offering Memorandum.

## CERTAIN TAX CONSIDERATIONS

## UNITED KINGDOM TAXATION

The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current United Kingdom law and published practice of HM Revenue and Customs (HMRC) relating only to United Kingdom withholding tax treatment of payments of interest on the Notes. The following is not exhaustive and does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice. References in this part to "interest" shall mean amounts that are treated as interest for the purposes of United Kingdom taxation.

### *Payment of Interest on the Notes*

*Payment of Interest by the Issuer*

The Notes issued by the Issuer which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Act**")) or admitted to trading on a "multilateral trading facility" operated by a UK, Gibraltar or an EEA regulated recognised stock exchange (within the meaning of section 987 of the Act). Whilst the Notes are and continue to be quoted Eurobonds, payments of interest on the Notes may be made without withholding or deduction for or on account of UK income tax.

The Issuer's understanding is that the Market is a multilateral trading facility operated by a UK regulated recognised stock exchange for the purposes of section 987 of the Act. Payments of interest on the Notes by the Issuer may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20%) subject to any other available exemptions or reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

*Payments in respect of the Guarantees*

The United Kingdom withholding tax treatment of payments by a Guarantor under the terms of the Guarantee in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) is uncertain. In particular, such payments by a Guarantor may not be eligible for the exemption from withholding on account of United Kingdom tax in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if a Guarantor makes any such payments and they have a United Kingdom source, these may be subject to United Kingdom withholding tax at the basic rate (currently 20%). Where a Guarantor is required to make such payments under deduction of United Kingdom withholding tax, a Guarantor is required to pay such additional amounts as after taking account of the tax that is withheld the recipient is left with a payment equal to the amount of interest they would have otherwise received.

## PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a subscription agreement among the Issuer, the Guarantors, the Joint Global Coordinators and the Joint Bookrunners (in such capacity, the Joint Global Coordinators and the Joint Bookrunners together, the "**Initial Purchasers**") (the "**Subscription Agreement**"), the Issuer has agreed to sell to the Initial Purchasers, and each of the Initial Purchasers have agreed, severally and not jointly, to purchase from the Issuer, the principal amount of the Notes set forth opposite its name below.

| **Initial Purchasers** | **Principal Amount of Notes** |
|---|---|
| HSBC Bank plc | £166,668,000 |
| Lloyds Bank Corporate Markets plc | £166,666,000 |
| Banco Santander, S.A. | £166,666,000 |
| **Total** | £500,000,000 |

Subject to the terms and conditions set forth in the Subscription Agreement, the Initial Purchasers have agreed, severally and not jointly, to purchase all of the Notes sold under the Subscription Agreement if any of these Notes are purchased. If an Initial Purchaser defaults, the Subscription Agreement provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or the Subscription Agreement may be terminated.

The Issuer has agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the Initial Purchasers may be required to make in respect of those liabilities.

### Commissions and Discounts

The representatives have advised the Issuer that the Initial Purchasers propose initially to offer the Notes at the offering price set forth on the cover page of this Offering Memorandum. After the initial offering, the offering price or any other term of the offering may be changed. The Initial Purchasers may offer and sell Notes through certain of their affiliates.

### New Issue of Notes

The Notes are a new issue of securities for which there currently is no market. The Issuer does not intend to list the Notes on any securities exchange or on any automated dealer quotation system, except that application has been made, through the listing agent, for the Notes to be admitted for trading on the Market. The Issuer and the Guarantors cannot assure you that this application will be accepted or that, if accepted, such listing will be maintained. The Initial Purchasers may make a market in the Notes after completion of the offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. The Issuer and the Guarantors cannot assure the liquidity of the trading market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending on prevailing interest rates, the market for similar securities, the Group's operating performance and financial condition, general economic conditions and other factors.

### Settlement

The Issuer expects that delivery of the Notes will be made against payment on the Notes on or about the date specified on the cover page of this Offering Memorandum, which will be six business days following the date of pricing of the Notes (this settlement cycle being referred to as "T+6"). Under Rule 15c6-1 of the Exchange Act (as defined herein), trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes on any date prior to one business day before delivery will be required, by virtue of the fact that the Notes initially settle in T+6 on 3 July 2025, to specify alternative settlement arrangements to prevent a failed settlement and should consult their own advisors.

### No Sales of Similar Securities

The Issuer has agreed that it will not, for a period of 180 days after the date of this Offering Memorandum, without first obtaining the prior written consent of the Joint Global Coordinators, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any debt securities or securities exchangeable for or convertible into debt securities, having a tenor of more than one year, except for the Notes sold to the Initial Purchasers pursuant to the Subscription Agreement.

### Short Positions

In connection with the Offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Initial Purchasers of a greater principal amount of Notes than they are required to purchase in the offering. The Initial Purchasers must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, the Initial Purchasers' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

None of the Issuer, the Guarantors or any of the Initial Purchasers make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, none of the Issuer, the Guarantors or any of the Initial Purchasers make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

### Other Relationships

Some of the Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantors or their respective affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, certain of the Initial Purchasers are Senior Borrower Loan Providers. Furthermore, certain of the Initial Purchasers are a counterparty to certain of the Group's existing interest rate and/or index linked hedging arrangements, for which they have received customary fees and commissions.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their respective affiliates. Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Issuer, the Guarantors or their respective affiliates

routinely hedge their credit exposure to the Issuer, the Guarantors or their respective affiliates consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in these securities, including potentially the Notes offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## Selling Restrictions

### *United States*

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Initial Purchaser has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Notes and the Guarantees (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Guarantees and the Issue Date (the "**Distribution Compliance Period**"), within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells Notes and the Guarantees during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantees within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes and the Guarantees within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### *Prohibition of Sales to European Economic Area Retail Investors*

Each Joint Bookrunner has represented and agreed, and each further Joint Bookrunner will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

For the purposes of this provision, the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### *Prohibition of Sales to United Kingdom Retail Investors*

Each Joint Bookrunner has represented and agreed, and each further Joint Bookrunner will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Memorandum to any retail investor in the United Kingdom. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or

(b) a customer within the meaning of the provisions of FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

For the purposes of this provision, the expression of "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

***United Kingdom***

Each Joint Bookrunner has represented, warranted and agreed that and each further Joint Bookrunner will be required to represent, warrant and agree that:

(a) ***Financial promotion:*** it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

(b) ***General compliance:*** it has complied and will comply with all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA) with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**General**

Each Joint Bookrunner acknowledges that other than the application made to the London Stock Exchange for the listing of the Notes on the Market, no action has been or will be taken in any country or jurisdiction by the Issuer, the Guarantors or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Memorandum comes are required by the Issuer and the Joint Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

## TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

Each purchaser of Notes and the Guarantees (which terms for the purposes of this section will be deemed to include any interests in the Notes, including any beneficial interests in the Global Certificate), and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, will be deemed to have represented, agreed and acknowledged that:

1. It understands that the Notes and the Guarantees have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

2. It is, or at the time Notes and the Guarantees are purchased will be, the beneficial owner of such Notes and the Guarantees and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

3. It understands that such Notes and the Guarantees have not been and will not be registered under the Securities Act and, prior to the expiration of the Distribution Compliance Period, it will not offer, sell, pledge or otherwise transfer such Notes and the Guarantees except in an offshore transaction to a person that is not a U.S. person in accordance with Rule 903 or Rule 904 of Regulation S.

4. It acknowledges that the Issuer, the Registrar, the relevant Joint Global Coordinator(s) and Joint Bookrunner(s) and their respective affiliates, and others, will rely upon the truth and accuracy of the acknowledgements, representations and agreements contained in this section "Transfer Restrictions" and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it shall promptly notify the Issuer, the Registrar and the applicable Joint Global Coordinator(s) and Joint Bookrunner(s). If it is acquiring any Notes and the Guarantees as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

5. It understands that the Global Certificate, unless otherwise agreed between the Issuer and the Note Trustee in accordance with applicable law, will bear a legend to the following effect:

**THIS SECURITY AND THE GUARANTEE IN RESPECT HEREOF HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.**

## GENERAL INFORMATION

### Authorisation

The issue by the Issuer of the Notes on the Issue Date and the granting of the Transaction Security have been duly authorised by written resolutions of the Board of Directors of the Issuer dated 23 June 2025 and the written resolutions of the Capital Structure Committee of Arqiva Group Limited (the "**CSC**") dated 25 June 2025. The provision of the Guarantee by the Parent Guarantor has been duly authorised by written resolutions of the Board of Directors of the Parent Guarantor dated 23 June 2025 and the written resolutions of the CSC dated 25 June 2025. The borrowings of the Intermediate Guarantor under the Intercompany Loan Agreement on the Issue Date and the provision of the guarantee by the Intermediate Guarantor have been duly authorised by written resolutions of the Board of Directors of the Intermediate Guarantor dated 23 June 2025 and the written resolutions of the CSC dated 25 June 2025. The provision of the Guarantee by Intermediate HoldCo has been duly authorised by written resolutions of the Board of Directors of Intermediate HoldCo dated 23 June 2025 and the written resolutions of the CSC dated 25 June 2025. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### Listing of Notes

Application has been made for the Notes to be admitted to trading on the Market operated by the London Stock Exchange in accordance with the rules of such exchange. Notice of any optional redemption, change of control or any change in the rate of interest payable on the Notes will be published on the London Stock Exchange website. The total expenses of the Issuer in relation to admission to trading is £9,050.

### Documents Available

For so long as the Notes remain listed on the Market, copies of the following documents may (when published) be inspected and obtained (in each case free of charge) during normal business hours at the specified office of the Registrar and the Note Trustee:

(a) the Memorandum and Articles of Association of each of the Issuer, Intermediate HoldCo, the Intermediate Guarantor and the Parent Guarantor;

(b) the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the years ended 30 June 2022, 30 June 2023 and 30 June 2024;

(c) the reports of PricewaterhouseCoopers LLP in respect of the audited consolidated financial statements of Arqiva Broadcast Parent Limited for the financial years ended 30 June 2022, 30 June 2023 and 30 June 2024;

(d) a copy of this Offering Memorandum;

(e) the half-yearly unaudited financial interim financial information (as of 31 December 2024) of Arqiva Broadcast Parent Limited;

(f) the documents granting security interests to the holders of Notes as described in this Offering Memorandum; and

(g) the Note Trust Deed and the other Transaction Documents (other than the Subscription Agreement) (as the same may be amended, varied, supplemented or novated from time to time).

### Clearing Systems

The Notes sold pursuant to Regulation S in this offering have been accepted for clearance through the facilities of Euroclear and Clearstream, Luxembourg under common code 310848964. The international securities identification number ("**ISIN**") for the Notes sold pursuant to Regulation S is XS3108489645.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Significant or Material Change

There has been no material adverse change in the financial position or prospects of the Issuer since the date of the last audited consolidated financial statements of the Parent Guarantor on 30 June 2024. There has been no significant change in the financial performance or financial position of the Issuer, since the last unaudited half-year financial statements of the Parent Guarantor on 31 December 2024.

There has been no material adverse change in the prospects of the Parent Guarantor since the date of its last audited financial statements on 30 June 2024. There has been no significant change in the financial performance or financial position of the Parent Guarantor since the date of its last unaudited half-year financial statements on 31 December 2024.

There has been no material adverse change in the prospects of the Intermediate Guarantor since the date of the last audited consolidated financial statements of the Parent Guarantor on 30 June 2024. There has been no significant change in the financial performance or financial position of the Intermediate Guarantor, since the last unaudited half-year financial statements of the Parent Guarantor on 31 December 2024.

There has been no material adverse change in the prospects of Intermediate HoldCo since the date of the last audited consolidated financial statements of the Parent Guarantor on 30 June 2024. There has been no significant change in the financial performance or financial position of Intermediate HoldCo, in each case since the last unaudited half-year financial statements of the Parent Guarantor on 31 December 2024.

### Litigation

There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the date of its incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer.

There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Parent Guarantor is aware) within a period of 12 months preceding the date of this Offering Memorandum which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Parent Guarantor.

There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Intermediate Guarantor is aware) since the date of its incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Intermediate Guarantor.

There are no and have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Intermediate HoldCo is aware) since the date of its incorporation which may have, or have had in the recent past, a significant effect on the financial position or profitability of Intermediate HoldCo.

### Availability of Financial Statements and Financial Information

The audited annual financial statements of the Parent Guarantor are prepared as of 30 June in each year. The Parent Guarantor will provide half-yearly unaudited financial information under the terms of the Note Trust Deed and the other Transaction Documents. All future audited annual financial statements (and the

half-yearly unaudited interim financial information) of the Parent Guarantor will be available free of charge in accordance with "*—Documents Available*" above.

### Independent Auditors

The consolidated financial statements of the Parent Guarantor as at and for each of the years ended 30 June 2022, 2023 and 2024 have been audited by PricewaterhouseCoopers LLP, independent auditor, as stated in their reports.

PricewaterhouseCoopers LLP is registered with the Institute of Chartered Accountants in England and Wales.

### Information in respect of the Notes

The Issuer does not intend to provide post-issuance information regarding the Notes or the Transaction Security, with the exception of any announcement that the Existing Junior Debt Repayment has been effected and the Transaction Security in respect of the Notes no longer ranks subordinate to the Existing Security Package (See "*Use of Proceeds and Refinancing Mechanics*").

### Material Contracts

None of the Issuer nor any Guarantor has entered into contracts not being in the ordinary course of its business.

### Information on the non-guarantors

AGL and all AGL's subsidiaries, except for the Intermediate HoldCo, the Parent Guarantor and the Intermediate Guarantor, represented 100% of the Group's EBITDA and net assets for the year ended 30 June 2024.

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